To decriminalize and deschedule cannabis, to provide for reinvestment in certain persons adversely impacted by the War on Drugs, to provide for expungement of certain cannabis offenses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice and referred to the Committee on

A BILL

To decriminalize and deschedule cannabis, to provide for reinvestment in certain persons adversely impacted by the War on Drugs, to provide for expungement of certain cannabis offenses, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Cannabis Administration and Opportunity Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.
TITLE I—DECRIMINALIZATION OF CANNABIS, PUBLIC SAFETY, AND STATES’ RIGHTS

Subtitle A—Decriminalization of Cannabis

Sec. 101. Decriminalization of cannabis.
Sec. 102. Transferring agency functions with regard to cannabis.

Subtitle B—Public Safety and States’ Rights

Sec. 111. States’ rights.
Sec. 112. Diversion of cannabis.

TITLE II—RESEARCH, TRAINING, AND PREVENTION

Subtitle A—Public Health and Biomedical Research

Sec. 201. Societal impact of cannabis legalization study.
Sec. 202. Biomedical research on cannabis.
Sec. 203. Public health surveillance and data collection.
Sec. 204. Awards to prevent underage cannabis use.
Sec. 205. National media campaigns on cannabis use.
Sec. 206. Increasing availability of cannabis products for research purposes.
Sec. 207. Trans-NIH cannabis consortium.
Sec. 208. Cannabis research interagency advisory committee.
Sec. 209. Awards for cannabis research.
Sec. 210. Department of Veterans Affairs clinical trials on the effects of cannabis on certain health outcomes of veterans with chronic pain and post-traumatic stress disorder.
Sec. 211. Cannabis research infrastructure grants.

Subtitle B—Cannabis-Impaired Driving Prevention

Sec. 221. Definitions.
Sec. 222. Cannabis-impaired driving research.
Sec. 223. DOT cannabis-impaired driving prevention programs.
Sec. 224. State cannabis-impaired driving prevention grant program.
Sec. 226. Funding.

TITLE III—RESTORATIVE JUSTICE AND OPPORTUNITY

Subtitle A—Opportunity Trust Fund Programs

Sec. 301. Opportunity trust fund programs.
Sec. 302. Comprehensive opioid, stimulant, and substance use disorder program.
Sec. 303. Availability of small business administration programs and services to cannabis-related legitimate businesses and service providers.
Sec. 304. Demographic data of cannabis business owners and employees.
Sec. 305. Pilot program.
Sec. 306. Eliminating disparities among cannabis-related legitimate businesses and service providers.

Subtitle B—Restorative Justice

Sec. 311. Resentencing and expungement.
Sec. 312. No discrimination in the provision of a Federal public benefit on the basis of cannabis.
Sec. 313. No adverse effect for purposes of the immigration laws.
Sec. 314. Provision by health care providers of the Department of Veterans Affairs of recommendations and opinions regarding veteran participation in cannabis programs.
Sec. 315. Provision by health care providers of Indian health programs of recommendations and opinions regarding participation in cannabis programs.

TITLE IV—TAXATION AND ESTABLISHMENT OF TRUST FUND

Sec. 401. Creation of Opportunity Trust Fund and imposition of taxes with respect to cannabis products.

TITLE V—PUBLIC HEALTH, CANNABIS ADMINISTRATION, AND TRADE PRACTICES

Subtitle A—Public Health

Sec. 501. FDA regulation of cannabis.
Sec. 503. Expedited review.
Sec. 504. Regulation of cannabidiol.
Sec. 505. Transition periods.
Sec. 506. Amendment to the Poison Prevention Packaging Act.
Sec. 507. Funding for FDA.

Subtitle B—Federal Cannabis Administration

Sec. 511. Federal cannabis administration.
Sec. 512. Increased funding for the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.

TITLE VI—WORKPLACE HEALTH AND SAFETY PROVISIONS

Sec. 601. Definitions.
Sec. 602. Finding regarding employers in the cannabis industry.
Sec. 603. Cannabis as a targeted topic for Susan Harwood training program.
Sec. 604. Guidance on recommended practices.
Sec. 605. Workplace impact of cannabis legalization.
Sec. 606. Grants for community-based education, outreach, and enforcement with respect to the rights of workers in the cannabis industry.

TITLE VII—BANKING, HOUSING, AND COMMUNITY DEVELOPMENT

Sec. 701. Purposes; sense of Congress.
Sec. 702. Requirements for filing suspicious activity reports.
Sec. 703. Guidance and examination procedures.
Sec. 704. Investment in communities.
Sec. 705. Fair access to financial services.
Sec. 706. Consumer protections for individuals with nonviolent criminal record.

TITLE VIII—MISCELLANEOUS

Sec. 801. Comptroller General review of laws and regulations.
Sec. 802. Cannabis Products Advisory Committee.
SEC. 2. FINDINGS.

The Congress finds as follows:

(1) The communities that have been most harmed by cannabis prohibition are benefitting the least from the legal marijuana marketplace.

(2) A legacy of racial and ethnic injustices, compounded by the disproportionate collateral consequences of 80 years of cannabis prohibition enforcement, now limits participation in the industry.

(3) 38 States, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, and Indian Tribes have adopted laws allowing legal access to cannabis, and 24 States, the District of Columbia, the Commonwealth of the Northern Mariana Islands, and Guam have adopted laws legalizing cannabis for adult recreational use.

(4) A total of 49 States have reformed their laws pertaining to cannabis despite the Schedule I status of marijuana and its Federal criminalization.

(5) The Food and Drug Administration recommended that cannabis be rescheduled under the Controlled Substances Act, from Schedule I to Schedule III, having identified “credible scientific support for the medical use of marijuana”.
(6) Legal cannabis businesses support more than 417,000 jobs throughout the United States.

(7) Legal cannabis sales totaled $33,600,000,000 in 2023 and are projected to reach $56,900,000,000 by 2028.

(8) According to the American Civil Liberties Union (ACLU), enforcing cannabis prohibition laws costs taxpayers approximately $3,600,000,000 a year.

(9) The continued enforcement of cannabis prohibition laws resulted in over 227,000 arrests in 2022, disproportionately impacting people of color who are almost 4 times more likely to be arrested for cannabis possession than their White counterparts, despite equal rates of use across populations.

(10) People of color and Native Americans have been historically targeted by discriminatory sentencing practices resulting in Black men receiving drug sentences that are 13.1 percent longer than sentences imposed for White men and Latinos being nearly 6.5 times more likely to receive a Federal sentence for cannabis possession than non-Hispanic Whites.

(11) In 2013, simple cannabis possession was the fourth most common cause of deportation for
any offense and the most common cause of deportation for drug law violations. Since 2003, the United States has deported more than 45,000 people whose most serious conviction was cannabis possession.

(12) Fewer than one-fifth of cannabis business owners identify as non-white.

(13) Applicants for cannabis licenses are limited by numerous laws, regulations, and exorbitant permit applications, licensing fees, and costs in these States, which can require more than $700,000.

(14) Historically disproportionate arrest and conviction rates make it particularly difficult for people of color to enter the legal cannabis marketplace, as many States bar these individuals from participating.

(15) Federal law severely limits access to loans and capital for cannabis businesses, disproportionately impacting minority and Tribal small business owners.

(16) Some States, Indian Tribes, and municipalities have taken proactive steps to mitigate inequalities in the legal cannabis marketplace and ensure equal participation in the industry.

SEC. 3. DEFINITIONS.

In this Act:
(1) **Cannabis; cannabis product.**—The terms “cannabis” and “cannabis product” have the same meanings given such terms in subsection (tt) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) (as added by section 502 of this Act).

(2) **Cannabis offense.**—The term “cannabis offense” means a criminal offense related to cannabis—

   (A) that, under Federal law, is no longer punishable pursuant to this Act or the amendments made under this Act; or

   (B) that, under State law, is no longer an offense or that was designated a lesser offense or for which the penalty was reduced under State law pursuant to or following the adoption of a State law authorizing the sale or use of cannabis.

(3) **Indian Tribe.**—The term “Indian Tribe” means the governing body of any individually identified and federally recognized Indian or Alaska Native tribe, band, nation, pueblo, village, community, affiliated Tribal group, or component reservation included on the list published most recently as of the date of enactment of this Act pursuant to section...
104(a) of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131(a)).

**TITLE I—DECRIMINALIZATION OF CANNABIS, PUBLIC SAFETY, AND STATES’ RIGHTS**

**Subtitle A—Decriminalization of Cannabis**

**SEC. 101. DECRIMINALIZATION OF CANNABIS.**

(a) Cannabis Removed From Schedule of Controlled Substances.—

(1) Removal in statute.—Schedule I of section 202 of the Controlled Substances Act (21 U.S.C. 812) is amended—

(A) in subsection (c)—

(i) by striking “(10) Marihuana.”;

and

(ii) in paragraph (17), by inserting “in cannabis (as defined in section 201(tt)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(tt)(1))) or tetrahydrocannabinols” before “in hemp”;

and

(B) in subsection (d)(2), by adding at the end the following new subparagraph:
“(C) Such term does not include any substance made of or derived from cannabis (as defined in section 201(tt)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(tt)(1)) or hemp (as defined in section 297A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1639o))).

(2) REMOVAL FROM SCHEDULE.—Not later than 180 days after the date of the enactment of this Act, the Attorney General shall finalize a rule-making under section 201(a)(2) of the Controlled Substances Act (21 U.S.C. 811(a)(2)) removing marihuana and tetrahydrocannabinols in cannabis (as defined in section 201(tt)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(tt)(1))) from the schedules of controlled substances. For the purposes of the Controlled Substances Act, marihuana and tetrahydrocannabinols in cannabis (as so defined) shall each be deemed to be a drug or other substance that does not meet the requirements for inclusion in any schedule. A rule-making under this paragraph shall be considered to have taken effect as of the date of enactment of this Act for purposes of any offense committed, case pending, conviction entered, and, in the case of a ju-
venile, any offense committed, case pending, and adjudication of juvenile delinquency entered before, on, or after the date of enactment of this Act.

(3) Rescheduling review of non-cannabis derived tetrahydrocannabinols and cannabimimetic agents.—

(A) In general.—Not later than 1 year after the date of enactment of this Act, the Attorney General shall initiate a review of the schedules applicable to the substances described in subsections (c)(17) and (d) of Schedule I of section 202 of the Controlled Substances Act (21 U.S.C. 812).

(B) Motion to transfer.—Pursuant to the findings of the review conducted under subparagraph (A), the Secretary of Health and Human Services shall, as appropriate, initiate a motion to transfer such substances between schedules pursuant to section 201 of the Controlled Substances Act (21 U.S.C. 811).

(b) Conforming amendments to Controlled Substances Act.—The Controlled Substances Act (21 U.S.C. 801 et seq.) is amended—

(1) in section 102 (21 U.S.C. 802)—

(A) by striking paragraph (16); and
(B) in paragraph (44), by striking "marihuana;",

(2) in section 401(b) (21 U.S.C. 841(b))—

(A) in paragraph (1)—

(i) in subparagraph (A)—

(I) in clause (vi), by inserting

"or" after the semicolon;

(II) by striking clause (vii); and

(III) by redesignating clause

(viii) as clause (vii);

(ii) in subparagraph (B)—

(I) in clause (vi), by inserting

"or" after the semicolon;

(II) by striking clause (vii); and

(III) by redesignating clause

(viii) as clause (vii);

(iii) in subparagraph (C), in the first

sentence, by striking "subparagraphs (A),

(B), and (D)" and inserting "subpara-

graphs (A) and (B)";

(iv) by striking subparagraph (D);

(v) by redesignating subparagraph (E)

as subparagraph (D); and

(vi) in subparagraph (D)(i), as so re-

designated, by striking "subparagraphs (C)
and (D)” and inserting “subparagraph (C)”;

(B) by striking paragraph (4); and

(C) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively;

(3) in section 402(c)(2)(B) (21 U.S.C. 824(c)(2)(B)), by striking “, marihuana,”;

(4) in section 403(d)(1) (21 U.S.C. 824(d)(1)), by striking “, marihuana,”;

(5) in section 418(a) (21 U.S.C. 859(a)), by striking the last sentence;

(6) in section 419(a) (21 U.S.C. 860(a)), by striking the last sentence;

(7) in section 422(d) (21 U.S.C. 863(d))—

(A) in the matter preceding paragraph (1), by striking “marijuana, cocaine, hashish, hashish oil,” and inserting “cocaine,”; and

(B) in paragraph (5), by striking “, such as a marihuana cigarette,”;

(8) in section 516(d) (21 U.S.C. 886(d)), by striking “section 401(b)(6)” each place the term appears and inserting “section 401(b)(5)”;

(9) in section 1010(b) (21 U.S.C. 960(b))—

(A) in paragraph (1)—
(i) in subparagraph (F), by inserting “or” after the semicolon;

(ii) by striking subparagraph (G);

(iii) by redesignating subparagraph (H) as subparagraph (G); and

(iv) in subparagraph (G), as so redesignated, by striking the period at the end and inserting a semicolon;

(B) in paragraph (2)—

(i) in subparagraph (F), by inserting “or” after the semicolon;

(ii) by striking subparagraph (G);

(iii) by redesignating subparagraph (H) as subparagraph (G); and

(iv) in subparagraph (G), as so redesignated, by striking the period at the end and inserting a semicolon;

(C) by striking paragraph (4); and

(D) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(c) Other Conforming Amendments.—

(1) National Forest System Drug Control Act of 1986.—The National Forest System Drug
Control Act of 1986 (16 U.S.C. 559b et seq.) is amended—

(A) in section 15002(a) (16 U.S.C. 559b(a)) by striking “marijuana and other”;

(B) in section 15003(2) (16 U.S.C. 559c(2)) by striking “marijuana and other”;

and

(C) in section 15004(2) (16 U.S.C. 559d(2)) by striking “marijuana and other”.

(2) INTERCEPTION OF COMMUNICATIONS.—Section 2516 of title 18, United States Code, is amended—

(A) in subsection (1)(e), by striking “marihuana,”; and

(B) in subsection (2) by striking “marihuana”.

(3) FMCSA PROVISIONS.—

(A) CONFORMING AMENDMENT.—Section 31301(5) of title 49, United States Code, is amended by striking “section 31306,” and inserting “sections 31306, 31306a, and subsections (b) and (c) of section 31310,”.

(B) DEFINITION.—Section 31306(a) of title 49, United States Code, is amended—
(i) by striking “means any substance” and inserting the following: “means—
“(1) any substance”; and
(ii) by striking the period at the end and inserting “; and
“(2) any substance not covered under paragraph (1) that was a substance under such section as of December 1, 2018, and specified by the Secretary of Transportation.”.

(C) DISQUALIFICATIONS.—Section 31310(b) of title 49, United States Code, is amended by adding at the end the following:
“(3) In this subsection and subsection (c), the term ‘controlled substance’ has the meaning given such term in section 31306(a).”.

(4) FAA PROVISIONS.—Section 45101 of title 49, United States Code, is amended—
(A) by striking “means any substance” and inserting the following: “means—
“(1) any substance”; and
(B) by striking the period at the end and inserting “; and
“(1) any substance not covered under paragraph (1) that was a substance under such section
as of December 1, 2018, and specified by the Secretary of Transportation.”.

(5) FRA PROVISIONS.—Section 20140(a) of title 49, United States Code, is amended—

(A) by striking “means any substance” and inserting the following: “means—

“(1) any substance”; and

(B) by striking the period at the end and inserting “; and

“(2) any substance not covered under paragraph (1) that was a substance under such section as of December 1, 2018, and specified by the Secretary of Transportation.”.

(6) FTA PROVISIONS.—Section 5331(a)(1) of title 49, United States Code, is amended—

(A) by striking “means any substance” and inserting the following: “means—

“(A) any substance”; and

(B) by striking the period at the end and inserting “; and

“(B) any substance not covered under subparagraph (A) that was a substance under such section as of December 1, 2018, and whose use the Secretary of Transportation decides has a risk to transportation safety.”.
(7) PRISON CONTRABAND.—Section 1791(d)(1) of title 18, United States Code, is amended—

(A) in subparagraph (A), by striking “marijuana or”;

(B) in subparagraph (B), by striking “marijuana or”; and

(C) in subparagraph (D), by inserting “, cannabis, as defined in section 3 of the Cannabis Administration and Opportunity Act,” after “subsection)”.

(8) OTHER CONTRABAND.—Section 80302(a)(1) of title 49, United States Code, is amended by striking “, including marihuana (as defined in section 102 of that Act (21 U.S.C. 802)),”.

(9) TARIFF ACT PROVISIONS.—Section 584(a)(2) of the Tariff Act of 1930 (19 U.S.C. 1584(a)(2)) is amended—

(A) by striking the second sentence and inserting “If any of such merchandise so found consists of smoking opium or opium prepared for smoking, the master of such vessel or person in charge of such vehicle or the owner of such vessel or vehicle or any person directly or indirectly responsible for smoking opium or opium prepared for smoking being in such mer-
chandise shall be liable to a penalty of $500 for each ounce thereof so found.”; and

(B) by striking the last sentence and inserting “As used in this paragraph, the term ‘opiate’ shall have the same meaning given that term by sections 102(18) of the Controlled Substances Act (21 U.S.C. 802(18)).”.

(d) Retroactivity.—

(1) In general.—The amendments made by this section to the Controlled Substances Act (21 U.S.C. 801 et seq.) are retroactive and shall apply to any offense committed, case pending, conviction entered, and, in the case of a juvenile, any offense committed, case pending, or adjudication of juvenile delinquency entered before, on, or after the date of enactment of this Act.

(2) Application to pending actions.—With respect to any pending criminal charges or case and conviction awaiting sentencing that is impacted by the amendments to the Controlled Substances Act (21 U.S.C. 801 et seq.) made by this section, the Government shall drop the relevant charges or seek dismissal of all pending charges not later than 30 days after the date of enactment of this Act. Any person held in pretrial detention and entitled to dis-
missal of relevant charges under this provision, and
not detained for any other reason, shall be entitled
to issuance of a writ under section 1361 or 2241 of
title 28, United States Code, to effectuate immediate
release.

(3) APPLICATION TO DEFENDANTS PREVIOUSLY
SENTENCED.—Not later than 60 days after the date
of enactment of this Act, the Director of the Bureau
of Prisons, United States Marshals Service, or
United States Parole Commission, as applicable,
shall release from its control, and the sentencing
court shall enter an order vacating the conviction
and sentence for, any individual convicted or sen-
tenced before the date of enactment of this Act for
any Federal offense involving marijuana, marihuana
(as defined in section 202(16) of the Controlled Sub-
stances Act (21 U.S.C. 812(16))), or
tetrahydrocannabinols and is not serving a sentence
for any conduct not covered by this Act or serving
multiple sentences as provided in section 3584 of
title 18, United States Code. Any person not so
timely released and entitled to such release under
this provision shall be entitled to issuance of a writ
under section 1361 or 2241 of title 28, United
States Code, to effectuate immediate release.
(4) Cumulative sentencing reconsideration.—In the case of a defendant who, before the date of enactment of this Act, was convicted or sentenced for any Federal offense involving marijuana, marihuana, or tetrahydrocannabinols, and, after vacatur of that sentence, is also serving a sentence for any other crime not covered by this Act, or in the case of a defendant who was convicted or sentenced for any Federal offense the sentencing range for which was elevated based on a prior conviction for an offense involving marijuana, marihuana, or tetrahydrocannabinols, the sentencing court may, on motion of the defendant, the Director of the Bureau of Prisons, the Attorney General, or, on its own motion, impose a reduced sentence after considering the factors set forth in section 3553(a) of title 18, United States Code.

(e) Special rule for Federal employee testing.—Section 503 of the Supplemental Appropriations Act, 1987 (5 U.S.C. 7301 note) is amended by adding at the end the following:

“(h) Cannabis.—

“(1) Testing for cannabis.—
“(A) IN GENERAL.—For purposes of Executive Order 12564, cannabis shall not be treated as an illegal drug.

“(B) EXCEPTION FOR DRUG TESTING.—Notwithstanding subparagraph (A) or the Cannabis Administration and Opportunity Act and the amendments made thereby, the Secretary of Health and Human Services or the head of an agency may deem cannabis to be a schedule I controlled substance within the meaning of section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), and unlawful to possess under title II or III of such Act, exclusively for the purpose of drug testing of any law enforcement officer (as defined in section 8331 of title 5, United States Code) or any Federal employee in a position that the head of an agency determines, in writing, to have significant involvement in national security or the protection of life, property, public health, or public safety, provided that either such employee is subject to this section, Executive Order 12564, or other applicable Federal laws and orders.
“(2) DEFINITION.—The term ‘cannabis’ has the meaning given the term in section 3 of the Cannabis Administration and Opportunity Act.”.

(f) SPECIAL RULE FOR CERTAIN REGULATIONS.—

(1) IN GENERAL.—The amendments made by this section may not be construed to abridge the authority of the Secretary of Transportation, or the Secretary of the department in which the Coast Guard is operating, to regulate and screen for the use of a controlled substance.

(2) CONTROLLED SUBSTANCE DEFINED.—In this subsection, the term “controlled substance” means—

(A) any substance covered under section 102 of the Controlled Substances Act (21 U.S.C. 802) on the day before the date of enactment of this Act; and

(B) any substance not covered under subparagraph (A) that was a substance covered under section 102 of the Controlled Substances Act (21 U.S.C. 802) on December 1, 2018, and specified by the Secretary of Transportation.
SEC. 102. TRANSFERRING AGENCY FUNCTIONS WITH REGARD TO CANNABIS.

(a) Transfer of Jurisdiction From the Drug Enforcement Administration to the Department of Health and Human Services and the Department of the Treasury.—The functions of the Attorney General, acting through the Administrator of the Drug Enforcement Administration relating to cannabis enforcement, shall hereafter be administered by—

(1) the Secretary of Health and Human Services, and

(2) the Secretary of the Treasury.

(b) Redesignation of Alcohol and Tobacco Tax and Trade Bureau as Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.—

(1) Redesignation.—Section 1111(d) of the Homeland Security Act of 2002 (6 U.S.C. 531(d)) is amended by striking “Tax and Trade Bureau” each place it appears and inserting “Alcohol, Tobacco, and Cannabis Tax and Trade Bureau”.

(2) References.—Any reference to the Tax and Trade Bureau or the Alcohol and Tobacco Tax and Trade Bureau in any law, regulation, map, document, record, or other paper of the United States shall be deemed to be a reference to the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.
(c) MEMORANDUM OF UNDERSTANDING.—

(1) IN GENERAL.—For purposes of carrying out the purposes of this Act, not later than 180 days after the date of enactment of this Act, the Secretary of the Treasury (acting through the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau, as so redesignated under subsection (b)) and the Secretary of Health and Human Services (acting through the Commissioner of Food and Drugs) shall enter into memorandum of understanding regarding coordination of their respective responsibilities with regard to regulation of cannabis and cannabis products.

(2) COMPLIANCE BURDENS.—For purposes of establishing the memorandum of understanding described in paragraph (1), the Secretary of the Treasury and the Secretary of Health and Human Services shall include consideration of—

(A) any compliance burdens imposed on persons involved in the cannabis industry who are subject to regulation under this Act and the amendments made by this Act, and

(B) to the greatest extent practicable, reduction of any unnecessary administrative duplication with respect to such regulation.
Subtitle B—Public Safety and States’ Rights

SEC. 111. STATES’ RIGHTS.

(a) State Statutes as Operative on Termination of Transportation; Original Packages.—All cannabis transported into any State or territory of the United States or remaining therein for use, consumption, sale, or storage therein, shall, upon arrival in that State or territory, be subject to the operation and effect of the laws of that State or territory enacted in the exercise of its police powers, to the same extent and in the same manner as though the cannabis had been produced in that State or territory, and shall not be exempt therefrom by reason of being introduced therein in original packages or otherwise.

(b) Shipment Into States for Possession or Sale in Violation of State Law.—The shipment or transportation, in any manner or by any means whatsoever, of cannabis from a State, territory, or district of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any other State, territory, or district of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, territory, or district of the United States, or place noncontiguous to but subject to the jurisdic-
diction thereof, which said cannabis is intended, by any
person interested therein, to be received, possessed, sold,
or in any manner used, either in the original package or
otherwise, in violation of any law of that State, territory,
or district of the United States, or place noncontiguous
to but subject to the jurisdiction thereof, is prohibited.

(c) **TRANSPORTATION OF CANNABIS AND CANNABIS
PRODUCTS.**—No State or Indian Tribe may prohibit the
transportation or shipment of cannabis or cannabis prod-
ucts through the State or the territory of the Indian Tribe,
as applicable.

(d) **INJUNCTIVE RELIEF.**—Section 2 of the Act enti-
tled “An Act divesting intoxicating liquors of their inter-
state character in certain cases”, approved March 1, 1913
(commonly known as the “Webb-Kenyon Act”) (27 U.S.C.
122a), is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (2), (3),
and (4) as paragraphs (3), (4), and (5), respect-
ively; and

(B) by inserting after paragraph (1) the
following:

“(2) the term ‘cannabis’ has the meaning given
the term in section 3 of the Cannabis Administra-
tion and Opportunity Act ;”; and
(2) in subsections (b) and (c), by inserting “or cannabis” after “intoxicating liquor” each place that term appears.

SEC. 112. DIVERSION OF CANNABIS.

(a) IN GENERAL.—

(1) VIOLATIONS OF CANNABIS LAWS OR REGULATIONS; PENALTIES AND INJUNCTIONS.—

(A) DEFINITION.—In this paragraph, the term “common or contract carrier” means a carrier holding a certificate of convenience and necessity, a permit for contract carrier by motor vehicle, or other valid operating authority under subtitle IV of title 49, United States Code, or under equivalent operating authority from a regulatory agency of the United States or of any State.

(B) CANNABIS DIVERSION.—

(i) IN GENERAL.—Except as provided in clause (ii), it shall be unlawful to—

(I) knowingly grow, manufacture, ship, transport, receive, possess, sell, or distribute or purchase 10 pounds or more of cannabis without authorization under a State law or pursuant to a permit issued under section 301
of the Federal Alcohol Administration Act, as added by section 511 of this Act; or

(II) knowingly possess 10 pounds or more of cannabis that bears no evidence of the payment of applicable State or local cannabis taxes in the State or locality where the cannabis is found, if—

(aa) the State or local government requires a stamp, impression, or other indication to be placed on packages or other containers of cannabis to evidence payment of cannabis taxes; and

(bb) the cannabis is in the possession of any person other than a person holding a permit under section 301 of the Federal Alcohol Administration Act, as added by section 511 of this Act;

(III) knowingly grow, manufacture, ship, transport, receive, possess, sell, or distribute or purchase 20 pounds or more of cannabis without
authorization under a State law or pursuant to a permit issued under section 301 of the Federal Alcohol Administration Act, as added by section 511 of this Act; or

(IV) knowingly possess 20 pounds or more of cannabis that bears no evidence of the payment of applicable State or local cannabis taxes in the State or locality where the cannabis is found, if—

(aa) the State or local government requires a stamp, impression, or other indication to be placed on packages or other containers of cannabis to evidence payment of cannabis taxes; and

(bb) the cannabis is in the possession of any person other than a person holding a permit under section 301 of the Federal Alcohol Administration Act, as added by section 511 of this Act.

(ii) EXCEPTIONS.—Clause (i) shall not apply to—
(I) a common or contract carrier transporting the cannabis involved under a proper bill of lading or freight bill which states the quantity, source, and destination of the cannabis;

(II) a person—

(aa) who is licensed or otherwise authorized by the State where the cannabis is found to account for and pay cannabis taxes imposed by such State; and

(bb) who has complied with the accounting and payment requirements relating to such license or authorization with respect to the cannabis involved;

(III) an officer, employee, or other agent of the United States, an Indian Tribe, or a State, or any department, agency, or instrumentality of the United States, an Indian Tribe, or a State (including any political subdivision of an Indian Tribe or a State) having possession of the cannabis in
connection with the performance of official duties; or

(IV) a person—

(aa) involved in the manufacture, marketing, or distribution of a drug containing cannabis that is otherwise in compliance with State and Federal law;

and

(bb) who possesses cannabis in connection with the lawful activities described in item (aa).

(iii) PENALTY.—Any person who violates—

(I) subclause (I) or (II) of clause (i) shall be imprisoned not more than 1 year, fined not more than $50,000, or both; or

(II) subclause (III) or (IV) of clause (i) shall be imprisoned not more than 5 years, fined not more than $100,000, or both.

(2) FINES.—The penalty provided for in this subsection may be recovered by the Secretary of the
Treasury or by an action brought by the Attorney
General in any court of competent jurisdiction.

(3) ENFORCEMENT.—It shall be the duty of the
Attorney General upon the request of the Secretary
of the Treasury to bring an action for an injunction
against any person who violates, disobeys or dis-
regards any term or provision of this subtitle or of
any lawful notice, order or regulation pursuant
thereto; provided, however, that the Secretary of the
Treasury shall furnish the Attorney General with
such material, evidentiary matter or proof as may be
requested by the Attorney General for the prosecu-
tion of such an action.

(b) TRACKING AND TRACING REGULATIONS.—

(1) ISSUANCE OF TRACKING AND TRACING REG-
ULATIONS.—

(A) IN GENERAL.—Not later than 1 year
after the date of enactment of this Act, the Sec-
retary of the Treasury (referred to in this sec-
tion as the “Secretary”), acting through the
Administrator of the Alcohol, Tobacco, and
Cannabis Tax and Trade Bureau and in coordi-
nation with the Secretary of Health and
Human Services, shall issue regulations relating
to the tracking and tracing of cannabis products pursuant to paragraph (2).

(B) GOOD FAITH CONSULTATION WITH INDIAN TRIBES.—In issuing regulations under subparagraph (A), the Secretary, acting through the Administrator of the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau and in coordination with the Secretary of Health and Human Services, shall conduct good faith, meaningful, and timely consultations with Indian Tribes.

(2) REGULATIONS CONCERNING RECORD-KEEPING FOR TRACKING AND TRACING.—

(A) IN GENERAL.—The Secretary shall promulgate regulations regarding the establishment and maintenance of records by any person who manufactures, processes, transports, distributes, receives, packages, holds, exports, or imports cannabis products.

(B) INSPECTION.—In promulgating the regulations described in subparagraph (A), the Secretary shall consider which records are needed for inspection to monitor the movement of cannabis products from the point of production through distribution to retail outlets to assist in
investigating potential illicit trade, smuggling, or counterfeiting of cannabis products.

(C) Codes.—The Secretary may require codes on the labels of cannabis products or other designs or devices for the purpose of tracking or tracing the cannabis product through the distribution system.

(D) Size of Business.—The Secretary shall take into account the size of a business in promulgating regulations under this section.

(E) Recordkeeping by Retailers.—The Secretary shall not require any retailer to maintain records relating to individual purchasers of cannabis products for personal consumption.

(3) Records Inspection.—

(A) In General.—If the Secretary has a reasonable belief that a cannabis product is part of an illicit trade or smuggling or is a counterfeit product, each person who manufactures, processes, transports, distributes, receives, holds, packages, exports, or imports cannabis products shall, at the request of an officer or employee duly designated by the Secretary, permit such officer or employee, at reasonable
times and within reasonable limits and in a rea-
sonable manner, upon the presentation of ap-
propriate credentials and a written notice to
such person, to have access to and copy all
records (including financial records) relating to
such article that are needed to assist the Sec-
retary in investigating potential illicit trade,
smuggling, or counterfeiting of cannabis prod-
ucts. The Secretary shall not authorize an offi-
cer or employee of the government of any of the
several States to exercise authority under the
preceding sentence on Indian country without
the express written consent of the Indian Tribe
involved.

(B) FAILURE TO COMPLY.—

   (i) COMPEL INSPECTIONS.—The dis-

   trict courts of the United States shall have
   the authority, pursuant to a civil action
   brought by the Secretary, to compel access
   by any officer or employee duly designated
   by the Secretary to any relevant records
   described in subparagraph (A).

   (ii) PENALTY.—Any person who—

       (I) denies access to any relevant

       records described in subparagraph (A)
to any officer or employee duly des-
ignated by the Secretary; or

(II) fails to comply with an order
issued by a district court pursuant to
clause (i),

shall be fined not more than $10,000.

(4) KNOWLEDGE OF ILLEGAL TRANSACTION.—

(A) NOTIFICATION.—If the manufacturer
or distributor of a cannabis product has knowl-
edge which reasonably supports the conclusion
that a cannabis product manufactured or dis-
tributed by such manufacturer or distributor
that has left the control of such person may be
or has been—

(i) imported, exported, distributed, or
offered for sale in interstate commerce by
a person without paying duties or taxes re-
quired by Federal, Tribal, or State law; or

(ii) imported, exported, distributed, or
diverted for possible illicit marketing,

the manufacturer or distributor shall promptly
notify the Attorney General and the Secretary
of such knowledge.
(B) **KNOWLEDGE DEFINED.**—For purposes of this paragraph, the term “knowledge” as applied to a manufacturer or distributor means—

(i) the actual knowledge that the manufacturer or distributor had; or

(ii) the knowledge which a reasonable person would have had under like circumstances or which would have been obtained upon the exercise of due care.

(5) **CONSULTATION.**—In carrying out this subsection, the Secretary shall consult with the Attorney General and the Commissioner of Food and Drugs, as appropriate.

(6) **CONSIDERATION OF STATE AND OTHER PRECEDENT.**—In promulgating the regulations described in this subsection, the Secretary shall consider—

(A) recommendations and findings by the Cannabis Products Advisory Committee established under section 1111 of the Federal Food, Drug, and Cosmetic Act;

(B) current practices of States regarding cannabis and the practices of other regulated industries; and
(C) whether, during the 3-year period described in section 505(b)(1), unique standards for cannabis specified for medical use under State law are necessary or appropriate.

TITLE II—RESEARCH, TRAINING, AND PREVENTION
Subtitle A—Public Health and Biomedical Research

SEC. 201. SOCIETAL IMPACT OF CANNABIS LEGALIZATION STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct an evaluation of the societal impact of the legalization by States of adult-use of cannabis. Such evaluation shall address, where information and data are available, a review of the following:

(1) Federal and State law enforcement activities, including—

(A) arrests related to illicit use, possession, production, manufacture, and distribution of cannabis; and

(B) diversion and seizures of cannabis.

(2) Employment and the receipt of Federal welfare assistance.

(3) Changes in the utilization of health care, including hospitalization related to methamphetamine...
and narcotic use and the use of cannabis for medical
purposes.

(4) Analysis of tax revenue remitted to States
resulting from legal cannabis sales.

(5) Any additional areas identified by the
Comptroller General of the United States.

(b) REPORT.—The Comptroller General of the
United States—

(1) not later than 2 years after the date of en-
actment of this Act, shall brief the Committee on Fi-
nance, the Committee on Health, Education, Labor,
and Pensions, and the Committee on the Judiciary
of the Senate and the Committee on Ways and
Means, the Committee on Energy and Commerce,
and the Committee on the Judiciary of the House of
Representatives on the preliminary findings of the
evaluation under subsection (a); and

(2) at a date agreed upon at the time of the
preliminary briefing described in paragraph (1), sub-
mit a final report to such committees.

SEC. 202. BIOMEDICAL RESEARCH ON CANNABIS.

(a) In General.—The Secretary of Health and
Human Services (referred to in this section as the “Sec-
retary”), in consultation with the Director of the National
Institutes of Health, shall conduct or support research on the impacts of cannabis.

(b) Topics.—The research conducted or supported under subsection (a) may include research on—

(1) the effects of tetrahydrocannabinol on the human brain;

(2) the efficacy of cannabis as a treatment for specific diseases and conditions, including any impact on chronic pain and post-traumatic stress disorder;

(3) the impact of the use of cannabis on—
   (A) pulmonary function;
   (B) cardiovascular events;
   (C) cancer, including testicular, ovarian, transitional cell, and head, neck, and oral cancers, and chronic illnesses;
   (D) mania;
   (E) psychosis;
   (F) cognitive effects; and
   (G) cannabinoid hyperemesis syndrome;

and

(4) the identification of additional medical benefits, harms, and uses of cannabis.
(c) CONSIDERATIONS.—In conducting or supporting the research under subsection (a), the Secretary may consider—

(1) varying forms of cannabis, including—

(A) full plants and extracts; and

(B) different types of cannabis with significant variation in phenotypic traits and various ratios of tetrahydrocannabinol and cannabidiol in chemical composition; and

(2) varying methods of cannabis delivery, including combustible and non-combustible inhalation and ingestion.

(d) ANNUAL REPORTS.—Not later than 18 months after the date of enactment of this Act, and annually thereafter for the next 4 years, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Energy and Commerce and the Committee on Appropriations of the House of Representatives, a report that includes an overview of the research conducted and supported under this section.

(e) FUNDING.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $200,000,000 for
each of fiscal years 2025 through 2029 to carry out this section.

SEC. 203. PUBLIC HEALTH SURVEILLANCE AND DATA COLLECTION.

(a) In General.—Section 392A of the Public Health Service Act (42 U.S.C. 280b–1) is amended—

(1) in the section heading, by inserting “AND ADVERSE HEALTH EFFECTS OF CANNABIS USE” after “SUBSTANCES”;

(2) in subsection (a)—

(A) in paragraph (2)—

(i) in subparagraph (C) by inserting “and adverse health effects of cannabis use” before the period; and

(ii) in subparagraph (D) by inserting “, cannabis, and polysubstance use” before the period; and

(B) in paragraph (4), by inserting “and collect data to better understand the use and health effects of cannabis, stimulants, and polysubstances, and” after “conduct studies and evaluations”;

(3) in subsection (e), by striking “$496,000,000 for each of fiscal years 2019 through 2023” and in-
serting “$596,000,000 for each of fiscal years 2025 through 2029”; and

(4) by adding at the end the following:

“(f) ADDITIONAL FUNDING.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $100,000,000 for each of fiscal years 2025 through 2029 to carry out this section.”.

SEC. 204. AWARDS TO PREVENT UNDERAGE CANNABIS USE.

Part D of title V of the Public Health Service Act (42 U.S.C. 290dd et seq.) is amended by adding at the end the following:

“SEC. 553. AWARDS TO PREVENT UNDERAGE CANNABIS USE.

“(a) IN GENERAL.—The Secretary, acting through the Assistant Secretary, shall award grants, contracts, and cooperative agreements to eligible entities to prevent and reduce underage cannabis use.

“(b) ELIGIBLE ENTITIES.—To receive an award under this section, an entity shall be a State, political subdivision of a State, Indian Tribe or Tribal organization, an urban Indian organization, a nonprofit community-based organization, or any other nonprofit entity the Secretary determines appropriate.
“(c) Use of Funds.—An eligible entity receiving an award under this subsection shall use funds from such award to—

“(1) establish, enhance, and support culturally- and linguistically-appropriate programs, including community-based, school-based, and higher-education based programs, and programs that target youth within the juvenile justice and child welfare systems, that offer screening, prevention, early intervention, diagnosis, treatment, referral, and recovery support services related to underage cannabis use;

“(2) design, test, evaluate, and disseminate evidence-based and evidence-informed strategies to maximize the effectiveness of community-wide approaches to preventing and reducing underage cannabis use;

“(3) educate children, adolescents, youth, parents, health care providers, and communities about the dangers of underage cannabis use, including impaired driving due to cannabis use;

“(4) collect data on underage cannabis use to identify and address needs, service gaps, and trends;

“(5) strengthen collaboration among communities, the Federal Government, and State, local,
and Tribal governments to prevent underage cannabis use;

“(6) address community norms regarding underage cannabis use, reduce opportunities for underage cannabis use, and reduce the prevalence of negative consequences associated with underage cannabis use; and

“(7) support other evidence-based and evidence-informed practices to reduce underage cannabis use, as determined by the Secretary.

“(d) SUPPLEMENT NOT SUPPLANT.—Funds awarded under this section shall supplement, and not supplant, existing State, Federal, local, and Tribal funds to prevent and reduce underage cannabis use.

“(e) PRIORITY CONSIDERATION.—In making awards under this section, the Secretary shall give priority to eligible entities that serve medically underserved communities, communities with high rates of underage cannabis use, and communities that have historically experienced disproportionate arrest and conviction rates related to the sale, possession, use, manufacture, or cultivation of cannabis (but not counting convictions involving distribution of cannabis to a minor).

“(f) FUNDING.—In addition to amounts otherwise available, there is appropriated, out of any funds in the
Treasury not otherwise appropriated, $15,000,000 for each of fiscal years 2025 through 2029 to carry out this section.

“(g) DEFINITIONS.—For the purposes of this section—

“(1) the terms ‘Indian Tribe’ and ‘Tribal organization’ have the meanings given such terms in section 4 of the Indian Self-Determination and Education Assistance Act; and

“(2) the term ‘urban Indian organization’ has the meaning given such term in section 4 of the Indian Health Care Improvement Act.”.

SEC. 205. NATIONAL MEDIA CAMPAIGNS ON CANNABIS USE.

(a) In General.—The Secretary of Health and Human Services (referred to in this section as the “Secretary”), in consultation with the Administrator of the National Highway Traffic Safety Administration, shall fund and oversee the production, broadcasting, and evaluation of a national public service media campaign to prevent and reduce underage cannabis use and cannabis impaired driving. Such campaign shall—

(1) educate the public about—

(A) the negative consequences of underage cannabis use and cannabis impaired driving; and
(B) the public health and safety benefits of evidence-based and evidence-informed policies to reduce underage cannabis use and cannabis impaired driving, and build community and parental support for, and cooperation with, enforcement of such policies; and

(2) be conducted—

(A) through multiple media sources;

(B) in a manner that is culturally and linguistically appropriate; and

(C) in a manner that reflects best practices in public health communication, including in accessible formats.

(3) Consultation Requirement.—In carrying out the campaign under this subsection, the Secretary shall consult with interested parties, including medical, public health, consumer, parent, disability, law enforcement, community-based, and other stakeholders, as determined by the Secretary.

(b) Education and Awareness Campaign for Cannabis Use.—The Secretary, in coordination with the heads of other appropriate departments and agencies and working through existing programs and activities, as appropriate, shall advance the education and awareness of the public (including health care providers, consumers,
workplaces, and other appropriate entities) regarding can-
nabis use. The education and awareness campaigns under
this subsection shall address—

(1) any dangers and negative consequences of
cannabis use;

(2) awareness and prevention of cannabis use
disorder;

(3) the effects of cannabis on the human body,
including with respect to the use of cannabis in dif-
fferent circumstances such as the workplace and
while operating motor vehicles;

(4) the effects of cannabis when mixed with
other substances; and

(5) other relevant public health or biomedical
research, as the Secretary determines appropriate.

(c) REPORT TO CONGRESS.—The Secretary shall
submit an annual report to the Committee on Health,
Education, Labor, and Pensions of the Senate and the
Committee on Energy and Commerce of the House of
Representatives detailing the production, broadcasting,
and evaluation of the campaigns under subsections (a) and
(b). Such reports shall include—

(1) details regarding the effectiveness of such
campaigns in reducing underage cannabis use;
(2) the need for, and likely effectiveness of, an expanded campaign under either such subsection; and

(3) details regarding the consultation the Secretary engaged in pursuant to subsection (a)(2).

(d) FUNDING.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $5,000,000 for each of fiscal years 2025 through 2029 to carry out this section.

SEC. 206. INCREASING AVAILABILITY OF CANNABIS PRODUCTS FOR RESEARCH PURPOSES.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the “Secretary”), acting through the Director of the National Institutes of Health and in collaboration with the Commissioner of Food and Drugs and the Attorney General, shall take steps to increase the availability and diversity of research grade cannabis products for intramural and extramural research activities, including cannabis products with varied cannabinoid concentrations and cannabis products that reflect regional differences in products available to be sold directly to consumers.

(b) GUIDANCE.—In carrying out subsection (a), the Secretary may develop guidance clarifying how entities en-
gaged in extramural research supported by the Federal
Government may access cannabis products available to be
sold directly to consumers.

(c) Congressional Briefing.—Not later than 1
year after the date of enactment of this Act, the Secretary
shall brief the Committee on Health, Education, Labor,
and Pensions and the Committee on the Judiciary of the
Senate and the Committee on Energy and Commerce and
the Committee on the Judiciary of the House of Rep-
resentatives on the activities under subsection (a).

(d) Funding.—In addition to amounts otherwise
available, there is appropriated, out of any funds in the
Treasury not otherwise appropriated, $275,000,000 for
each of fiscal years 2025 through 2029 to carry out this
section.

SEC. 207. TRANS-NIH CANNABIS CONSORTIUM.

Part A of title IV of the Public Health Service Act
(42 U.S.C. 281 et seq.) is amended by inserting at the
end the following:

“SEC. 404P. TRANS-NIH CANNABIS CONSORTIUM.

“(a) Establishment.—The Director of NIH shall
establish and maintain a consortium to be known as the
Trans-NIH Cannabis Research Consortium (referred to in
this section as the ‘Consortium’) to coordinate cannabis
research programs across the National Institutes of Health.

“(b) MEMBERSHIP.—The members of the Consortium shall be appointed by the Director of NIH and consist of representatives of multiple national research institutes and national centers.

“(c) CHAIR.—The Chair of the Consortium shall be the Director of the National Institute on Drug Abuse (or the Director’s designee).

“(d) DUTIES.—In coordinating cannabis research programs across the National Institutes of Health, the Consortium shall—

“(1) establish cannabis research priorities;

“(2) identify gaps and opportunities for research collaborations involving multiple national research institutes and national centers; and

“(3) identify opportunities to develop the next generation of cannabis researchers.

“(e) CONSULTATION.—The Consortium shall consult regularly with external experts in the field of cannabis research, as appropriate, including industry, patient organizations, and other stakeholders.

“(f) REPORTING.—No later than 1 year after the date of enactment of the Cannabis Administration and Opportunity Act, and every 2 years thereafter, the Consor-
tium shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives, and make publicly available on the website of the National Institutes of Health, a report on—

“(1) any research project involving cannabis and involving more than one national research institute or national center that was supported during the review period;

“(2) any strategic initiatives that include a significant component related to cannabis;

“(3) career development awards for early-career researchers focused in cannabis research, including specific numbers of awards and amount of funding, made during the review period;

“(4) details on the composition of awards for early-career researchers, including demographic details indicating the proportion of recipients from populations that have been underrepresented in cannabis research; and

“(5) such other information as the Director of NIH determines appropriate.”.
SEC. 208. CANNABIS RESEARCH INTERAGENCY ADVISORY COMMITTEE.

(a) In general.—There is established within the Department of Health and Human Services a Cannabis Research Interagency Advisory Committee (referred to in this subsection as the “Advisory Committee”) for purposes of coordinating—

(1) Federal research activities relating to cannabis; and

(2) aspects of all Federal programs and activities relating to cannabis research, in order to ensure the adequacy and technical soundness of such programs and activities, to minimize barriers to such programs and activities, to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

(b) Members.—The Advisory Committee established under subsection (a) shall consist of the heads of the following agencies or their designees:

(1) The National Institutes of Health.

(2) The Centers for Disease Control and Prevention.

(3) The Food and Drug Administration.

(4) The Substance Abuse and Mental Health Services Administration.
(5) The Office of the Assistant Secretary of Health.

(6) The Office of Minority Health.

(7) The Drug Enforcement Administration.

(8) The Alcohol, Tobacco, and Cannabis Tax and Trade Bureau (as so redesignated by section 102 of this Act).

(9) The Department of Transportation.

(10) Any other agency with subject matter expertise that the Secretary of Health and Human Services determines appropriate to advance research on cannabis.

(e) Responsibilities.—In carrying out its duties under this section, the Advisory Committee shall—

(1) monitor cannabis research across all relevant Federal departments and agencies, including coordination of Federal activities with respect to cannabis;

(2) develop a summary of advances in cannabis research;

(3) identify barriers to conducting or supporting cannabis research;

(4) make recommendations to the Secretary of Health and Human Services regarding any appropriate changes to such activities;
(5) make recommendations to the Secretary of Health and Human Services regarding public participation in decisions relating to cannabis research, and the process by which public feedback can be better integrated into such decisions;

(6) develop a strategic plan for the conduct of, and support for, cannabis research, which shall include—

(A) proposed budgetary requirements; and

(B) recommendations to ensure that cannabis research of the Department of Health and Human Services and of other Federal departments and agencies are not unnecessarily duplicative; and

(7) submit to Congress and the President—

(A) an annual update on the summary of advances described in paragraph (2); and

(B) an annual update to the strategic plan described in paragraph (5), including any progress made in achieving the goals outlined in such strategic plan.

SEC. 209. AWARDS FOR CANNABIS RESEARCH.

(a) In General.—The Secretary of Health and Human Services (referred to in this section as the “Secretary”) shall award grants, contracts, or cooperative
agreements to public and nonprofit entities (including consortia of such entities) to conduct or support research on short- and long-term health effects of cannabis, considering beneficial and harmful effects and public health impacts. Such research may—

(1) consider the etiology, epidemiology, and health effects of cannabis use in at-risk or under researched populations, such as pediatric and older populations, individuals with chronic illnesses, pregnant and lactating women and their infants and children, and heavy cannabis users;

(2) consider the pharmacokinetic and pharmacodynamic properties of cannabis, modes of delivery, different concentrations, in various populations, including the dose-response relationships of cannabis and tetrahydrocannabinol or other cannabinoids;

(3) consider the harms and benefits associated with understudied cannabis products, such as edibles, concentrates, and topical products;

(4) consider the short- and long-term harms and benefits associated with exposure to chemicals and other products commonly involved in the growing, possessing, and selling of cannabis;
(5) utilize clinical trials on the potential beneficial and harmful health effects of using different forms of cannabis, such as inhaled whole cannabis plant and oral cannabis;

(6) seek to characterize the health effects of cannabis on unstudied and understudied health endpoints, such as epilepsy in pediatric populations, symptoms of posttraumatic stress disorder, childhood and adult cancers, cannabis-related overdoses and poisonings, and other high-priority health endpoints; and

(7) provide support for the development of novel diagnostic technologies that allow for rapid, accurate, and noninvasive assessment of cannabis exposure and impairment.

(b) APPLICATION.—To be eligible to receive an award under this section, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(c) PRIORITY.—In selecting award recipients under this section, the Secretary shall give priority to any entity that is a minority-serving institution (defined, for purposes of this subsection, as an institution and program described in section 326(e)(1) of the Higher Education Act of 1965 (20 U.S.C. 1063b(e)(1)) and institution de-
scribed in section 371(a) of such Act (20 U.S.C. 1067q(a))).

(d) CONSIDERATIONS.—In making awards under this section, the Secretary, to the extent practicable, may ensure equitable distribution of awards among the geographical regions of the United States.

(e) REPORTING.—

(1) REPORTS FROM ENTITIES.—Each entity, or consortium of such entities, that receives an award under this section shall submit an annual report to the Secretary on the activities conducted under such award, and other information as the Secretary may require.

(2) REPORT TO CONGRESS.—Not later than 5 years after the date of enactment of this Act and every 5 years thereafter, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that provides a summary of the activities associated with awards made under this section.

(3) PUBLIC AVAILABILITY.—The Secretary shall make reports submitted under paragraph (2) publicly available on the website of the Department of Health and Human Services.
(f) Funding.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $200,000,000 for each of fiscal years 2025 through 2029 to carry out this section.

SEC. 210. DEPARTMENT OF VETERANS AFFAIRS CLINICAL TRIALS ON THE EFFECTS OF CANNABIS ON CERTAIN HEALTH OUTCOMES OF VETERANS WITH CHRONIC PAIN AND POST-TRAUMATIC STRESS DISORDER.

(a) Clinical Trials Required.—

(1) In general.—The Secretary of Veterans Affairs shall carry out a series of clinical trials on the effects of medical-grade cannabis on the health outcomes of covered veterans diagnosed with chronic pain and covered veterans diagnosed with post-traumatic stress disorder.

(2) Required elements.—The clinical trials required by paragraph (1) shall include—

(A) with respect to covered veterans diagnosed with chronic pain, an evaluation of the effects of the use of cannabis on—

(i) osteopathic pain (including pain intensity and pain-related outcomes);
(ii) the reduction or increase in opioid use or dosage;

(iii) the reduction or increase in benzodiazepine use or dosage;

(iv) the reduction or increase in alcohol use;

(v) inflammation;

(vi) sleep quality;

(vii) agitation; and

(viii) quality of life; and

(B) with respect to covered veterans diagnosed with post-traumatic stress disorder, an evaluation of the effects of the use of cannabis on—

(i) the symptoms of post-traumatic stress disorder (PTSD) as established by or derived from the clinician administered PTSD scale, the PTSD checklist, the PTSD symptom scale, the post-traumatic diagnostic scale, and other applicable methods of evaluating symptoms of post-traumatic stress disorder;

(ii) the reduction or increase in benzodiazepine use or dosage;
(iii) the reduction or increase in alcohol use;

(iv) mood;

(v) anxiety;

(vi) social functioning;

(vii) agitation;

(viii) suicidal ideation; and

(ix) sleep quality, including frequency of nightmares and night terrors.

(3) Optional elements.—The clinical trials required by paragraph (1) may include an evaluation of the effects of the use of cannabis to treat chronic pain and post-traumatic stress disorder on—

(A) pulmonary function;

(B) cardiovascular events;

(C) head, neck, and oral cancer;

(D) testicular cancer;

(E) ovarian cancer;

(F) transitional cell cancer;

(G) intestinal inflammation;

(H) motor vehicle accidents;

(I) mania;

(J) psychosis;

(K) cognitive effects;

(L) cannabinoid hyperemesis syndrome;
(M) neuropathy;
(N) spasticity;
(O) substance use disorder; or
(P) mental health disorder.

(b) Long-Term Observational Study.—The Secretary may carry out a long-term observational study of the participants in the clinical trials required by subsection (a).

(c) Type of Cannabis.—

(1) In general.—In carrying out the clinical trials required by subsection (a), the Secretary shall study varying forms of cannabis, including whole plant raw material and extracts.

(2) Plant cultivars.—Of the varying forms of cannabis required under paragraph (1), the Secretary shall study not fewer than seven unique plant cultivars with ratios of tetrahydrocannabinol to cannabidiol in each of the following categories:

(A) Less than 1:5.
(B) Between 1:2 and 1:5.
(C) Approximately 1:2.
(D) Approximately 1:1.
(E) Approximately 2:1.
(F) Between 2:1 and 5:1.
(G) More than 5:1.
(d) **Use of Control and Experimental Groups.**—The clinical trials required by subsection (a) shall include both a control group and an experimental group that shall—

(1) be of similar size and structure; and

(2) represent the demographics of the veteran population, as determined by the most recent data from the American Community Survey of the Bureau of the Census that is available prior to the commencement of the clinical trials.

(e) **Limitation on Enrollment of Certain Veterans.**—In enrolling veterans in a clinical trial under subsection (a), the Secretary shall avoid enrolling veterans who—

(1) have existing substance use disorder or are at high-risk for developing substance use disorder; or

(2) have contraindications to medicinal cannabis, which may include—

(A) veterans with acute psychosis or at-risk of psychosis;

(B) veterans for whom cannabis is contraindicated based on current medications taken, prescribed and nonprescribed;

(C) veterans with severe cardiovascular, immunological, liver, or kidney disease; and
(D) veterans who are pregnant or breastfeeding.

(f) DATA PRESERVATION.—The clinical trials required by subsection (a) shall include a mechanism to ensure the preservation of all data, including all data sets, collected or used for purposes of such trials in a manner that will facilitate further research.

(g) IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall—

(1) develop a plan to implement this section and submit such plan to the Committee on Veterans’ Affairs of the Senate and the Committee on Veterans’ Affairs of the House of Representatives; and

(2) issue any requests for proposals the Secretary determines appropriate for such implementation.

(h) EFFECT ON OTHER BENEFITS.—The eligibility or entitlement of a covered veteran to any other benefit under the laws administered by the Secretary or any other provision of law shall not be affected by the participation of the covered veteran in a clinical trial under subsection (a) or a study under subsection (b).

(i) PERIODIC REPORTS.—During the five-year period beginning on the date of the enactment of this Act, the
Secretary shall submit periodically, but not less frequently than annually, to the Committee on Veterans’ Affairs of the Senate and the Committee on Veterans’ Affairs of the House of Representatives reports on the implementation of this section.

(j) COVERED VETERAN DEFINED.—In this section, the term “covered veteran” means a veteran who is enrolled in the patient enrollment system of the Department of Veterans Affairs established and operated under section 1705(a) of title 38, United States Code.

SEC. 211. CANNABIS RESEARCH INFRASTRUCTURE GRANTS.

Title VIII of the Higher Education Act of 1965 (20 U.S.C. 1161a et seq.) is amended by adding at the end the following:

“PART BB—CANNABIS RESEARCH INFRASTRUCTURE GRANT PROGRAM

“SEC. 899. CANNABIS RESEARCH INFRASTRUCTURE GRANT PROGRAM.

“(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Health and Human Services and, as appropriate, with other relevant Federal agencies, shall award grants, on a competitive basis, to institutions of higher education to enable such institutions to develop or enhance the necessary infrastructure for exploratory can-
nabis research, including the cultivation of cannabis for research purposes.

“(b) Applications.—To be qualified to receive a grant under this section, an institution of higher education shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

“(1) a description of the projects that the institution of higher education plans to carry out with grant funds; and

“(2) how such projects will address the research infrastructure needs of the institution of higher education.

“(c) Priority in Awards.—In awarding grants under this section, the Secretary shall give priority to—

“(1) institutions of higher education described in section 371(a);

“(2) under-resourced institutions of higher education, including community colleges; and

“(3) institutions of higher education with experience in conducting or supporting cannabis research or developing academic courses or programs for students in the cannabis industry.

“(d) Use of Funds.—An institution of higher education that receives a grant under this section shall use
the grant funds to develop or enhance the necessary infra-
structure for exploratory cannabis research, including—

“(1) cultivating cannabis for research purposes;

“(2) purchasing, renting, or leasing scientific or
laboratory equipment;

“(3) constructing or upgrading cultivation or
laboratory facilities;

“(4) purchasing or enhancing storage and secu-
ritv needs;

“(5) establishing school policies, procedures, or
training to conduct or support research, such as
policies and training to safely handle and store sub-
stances;

“(6) paying State fees to apply for and receive
certificates or registrations to handle certain sub-
stances; or

“(7) recruiting or retaining staff necessary for
developing or enhancing the cannabis research infra-
structure of the institution of higher education, in-
cluding for training and support purposes.

“(e) AWARDS.—Notwithstanding any other provision
of law, activities supported by grants under this section
shall not be considered violations of section 120 for the
purposes of enforcing or assessing compliance with that
section.
“(f) DEFINITIONS.—In this section:

“(1) COMMUNITY COLLEGE.—The term ‘community college’ means—

“(A) a public institution of higher education, including additional locations, at which the highest awarded degree, or the predominantly awarded degree, is an associate degree; or

“(B) a Tribal College or University (as defined in section 316).

“(2) INSTITUTION OF HIGHER EDUCATION.—

The term ‘institution of higher education’ has the meaning given that term in section 101.

“(g) FUNDING.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $200,000,000 for each of fiscal years 2025 through 2029 to carry out this section.”.

Subtitle B—Cannabis-Impaired Driving Prevention

SEC. 221. DEFINITIONS.

In this subtitle:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the National Highway Traffic Safety Administration.
(2) Secretary.—The term "Secretary" means the Secretary of Transportation.

(3) THC.—The term "THC" means tetrahydrocannabinol.

SEC. 222. CANNABIS-IMPAIRED DRIVING RESEARCH.

(a) Cannabis-Impaired Driving Data.—

(1) In General.—The Secretary shall collect and, as appropriate, share with the Secretary of Health and Human Services, data relating to cannabis-impaired driving, or a combination of cannabis and another substance, including through the collection of crash data specific to crashes involving drivers with—

(A) THC in their system; or

(B) a combination of THC and another substance in their system.

(2) National Roadside Survey.—

(A) In General.—Not later than 1 year after the date of enactment of this Act, the Administrator shall initiate a National Roadside Survey to collect data on drivers with THC in their system.

(B) Report.—Not later than 3 years after the date of enactment of this Act, the Secretary shall submit to the Committees on Commerce,
Science, and Transportation, Environment and Public Works, and Health, Education, Labor, and Pensions of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report summarizing the data acquired, and conclusions drawn, from the National Roadside Survey required under subparagraph (A).

(b) Research on Risks of Cannabis-Impaired Driving.—

(1) Study Required.—

(A) In General.—Not later than 3 years after the date of enactment of this Act, the Secretary shall carry out a study to evaluate and quantify the risks of cannabis-impaired driving.

(B) Requirements.—The study required under subparagraph (A) shall analyze—

(i) whether there is an increased likelihood of crashing a motor vehicle after recent cannabis use;

(ii) the effect of cannabis on driving behavior;

(iii) whether there is a correlation between THC level (as tested in oral fluids) and level of impairment;
(iv) whether the current Standard Field Sobriety Test developed by the National Highway Traffic Safety Administration accurately identifies cannabis impairment;

(v) whether driving behavior changes depending on frequency of cannabis use;

(vi) whether there are any potential increased risks associated with using cannabis together with another substance; and

(vii) any other data necessary to improve safe driving outcomes, as determined by the Secretary.

(2) REPORT.—Not later than 3 years after the date of enactment of this Act, and annually thereafter until the date on which the study required under paragraph (1) is complete, the Secretary shall submit to the Committees on Commerce, Science, and Transportation, Environment and Public Works, and Health, Education, Labor, and Pensions of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report summarizing the data acquired, and conclusions drawn, from the study required under paragraph (1).
SEC. 223. DOT CANNABIS-IMPAIRED DRIVING PREVENTION PROGRAMS.

(a) IN GENERAL.—The Secretary shall research and implement data-driven strategies to educate the public about the dangers of cannabis-impaired driving, which shall include the following:

(1) CANNABIS-IMPAIRED DRIVING USE PREVENTION BEST PRACTICES.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall develop and issue best practices for States and communities to prevent cannabis-impaired driving, including impaired driving involving the use of cannabis and another substance and practices targeting drivers under the age of 21, in consultation with the Director of the Centers for Disease Control and Prevention, the Secretary of Health and Human Services, and the heads of other Federal agencies as appropriate.

(B) UPDATES.—Not less frequently than biannually, the Secretary shall update and reissue the best practices required under subparagraph (A) as new research and data becomes available.
(2) Cannabis-impaired driving use prevention campaigns.—Not later than 2 years after the date of enactment of this Act, the Secretary shall establish and carry out national campaigns to prevent cannabis-impaired driving, including—

(A) cannabis-impaired driving involving the use of cannabis and another substance; and

(B) cannabis-impaired driving among drivers under the age of 21.

(b) Campaign Evaluation.—Not less frequently than once every 3 years, the Secretary shall evaluate the effectiveness of the campaigns required under subsection (a)(2) and the activities carried out by States using a grant awarded under section 409 of title 23, United States Code, by using a variety of factors, including—

(1) collecting data, including behavioral data, and comparing that data from before and after the campaigns;

(2)(A) engaging with stakeholders that were involved in the campaigns; and

(B) analyzing feedback from those stakeholders on what the stakeholders saw as strengths and weaknesses of the campaigns;

(3) determining whether the campaigns accomplished the objectives the Secretary set out to ac-
comply through analysis of data relating to the campaigns; and


(e) REPORT.—Not later than 6 months after the date on which the Secretary completes an evaluation conducted under subsection (b), the Secretary shall submit to the Committees on Commerce, Science, and Transportation, Environment and Public Works, and Health, Education, Labor, and Pensions of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report that—

(1) summarizes the data collected and provides the analysis of the data from an evaluation conducted under subsection (b);

(2) includes recommendations for future impaired driving campaigns; and

(3) includes any determinations that a national campaign or an activity carried out by a State using a grant awarded under section 409 of title 23,
United States Code, is ineffective at preventing cannabis-impaired driving.

SEC. 224. STATE CANNABIS-IMPAIRED DRIVING PREVENTION GRANT PROGRAM.

(a) In General.—Chapter 4 of title 23, United States Code, is amended by inserting after section 408 the following:

“§ 409. State cannabis-impaired driving prevention grant program

“(a) DEFINITIONS.—In this section:

“(1) CANNABIS.—The term ‘cannabis’ has the meaning given the term in subsection (tt) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

“(2) GRANT PROGRAM.—The term ‘grant program’ means the grant program established under subsection (b).

“(3) THC.—The term ‘THC’ has the meaning given the term in section 221 of the Cannabis Administration and Opportunity Act.

“(b) ESTABLISHMENT.—Not later than 1 year after the date of enactment of the Cannabis Administration and Opportunity Act, the Secretary, acting through the Administrator of the National Highway Traffic Safety Administration, shall establish a program to provide grants
to States, in accordance with subsection (c), to implement programs to prevent impaired driving due to cannabis use.

“(c) ELIGIBILITY.—The Secretary may provide a grant under this section to any State that—

“(1) describes how the State will use the grant funds in accordance with a highway safety program under section 402, including how the State will implement the best practices developed by the Secretary under section 223(a)(1) of the Cannabis Administration and Opportunity Act; and

“(2) agrees to provide data and information, as determined by the Secretary, to assist with the evaluation of the effectiveness of the eligible activities described in subsection (d).

“(d) USE OF FUNDS.—A State may use a grant awarded under this section for the following activities:

“(1) Enforcement activities, including—

“(A) to train public safety personnel to detect impaired driving due to the use of cannabis or a combination of cannabis and another substance;

“(B) to increase the capacity of impaired driving toxicology testing laboratories in the State to support impaired driving investigations, including to purchase equipment, hire
staff, provide training, and improve procedures, including to improve toxicology testing standards to be consistent with the standards contained in the document of the National Safety Council entitled ‘Recommendations for Toxicological Investigation of Drug-Impaired Driving and Motor Vehicle Fatalities–2021 Update’ (or a successor document);

“(C) to train for and implement impaired driving assessment programs or other tools designed to increase the probability of identifying the recidivism risk of an individual convicted of driving under the influence of cannabis, or a combination of cannabis and another substance, and to determine the most effective mental health or substance abuse treatment or sanction that will reduce that risk;

“(D) to develop and implement high-visibility enforcement efforts relating to cannabis-impaired driving; and

“(E) for court support of high-visibility enforcement efforts, to train and educate criminal justice professionals (including law enforcement personnel, prosecutors, judges, and probation officers) to assist those professionals in—
“(i) handling cannabis-impaired driving cases;

“(ii) hiring traffic safety resource prosecutors;

“(iii) hiring judicial outreach liaisons; and

“(iv) establishing driving while intoxicated courts.

“(2) Data collection activities, including—

“(A) to collect data relating to the use of cannabis, drugs, or multiple substances by drivers, including the prevalence of the use of those substances among drivers arrested for impaired driving; and

“(B) to increase drug testing and reporting for all fatal crashes and serious injuries to better understand the scope of cannabis-impaired driving, or a combination of cannabis and another substance.

“(3) Education activities, including—

“(A) to develop and carry out educational campaigns to better educate the public about the harms associated with cannabis-impaired driving, including impaired driving associated
with the use of cannabis and another substance;
and

“(B) to participate in national campaigns organized by the Secretary under section 223(a)(2) of the Cannabis Administration and Opportunity Act.

“(e) Prohibition.—The Secretary may prohibit the use of grant funds for an activity described in subsection (d) if the Secretary determines that the activity is ineffective at preventing cannabis-impaired driving after conducting an evaluation required under section 223(b) of the Cannabis Administration and Opportunity Act.

“(f) Grant Amounts.—

“(1) In general.—The allocation of grant funds to a State under this section for a fiscal year shall be in proportion to the apportionment of funds a State receives under section 402(c)(2).

“(2) Requirement.—Not less than 10 percent of the funds allocated to a State under this section shall be used to carry out activities described in subsection (d)(1)(B).

“(g) Federal Share.—

“(1) In general.—For the first 3 fiscal years after the date on which the grant program is established under subsection (b), and each fiscal year
thereafter for a State that meets the condition described in paragraph (2)(B) during that fiscal year, the Federal share of the costs of activities carried out with a grant awarded under the grant program shall be 80 percent in any fiscal year in which the State is awarded a grant.

“(2) Decreased Federal Share.—

“(A) In General.—For any State that does not meet the condition described in subparagraph (B), the Federal share of the costs of activities carried out with a grant awarded under the grant program shall be—

“(i) 70 percent in the fourth fiscal year after the date on which the grant program is established under subsection (b);

“(ii) 60 percent in the fifth fiscal year after that date; and

“(iii) 50 percent in the sixth fiscal year after that date and each fiscal year thereafter.

“(B) Condition.—The condition referred to in paragraph (1) and subparagraph (A) is that the State shall implement an open container law relating to cannabis products.
“(h) FUNDING.—In addition to amounts otherwise available, there is appropriated, out of any money in the Treasury not otherwise appropriated, $45,000,000 for each of fiscal years 2025 through 2029 to carry out this section.”.

(b) CLERICAL AMENDMENT.—The analysis for chapter 4 of title 23, United States Code, is amended by inserting after the item relating to section 408 the following:

“409. State cannabis-impaired driving prevention grant program.”.

SEC. 225. NATIONAL CANNABIS IMPAIRMENT STANDARD.

(a) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, and once every 2 years thereafter, the Secretary shall make a determination as to whether or not it is feasible to establish a national standard for determining impairment for cannabis-impaired driving.

(b) RULEMAKING REQUIRED.—If the Secretary determines that establishing a national standard relating to cannabis-impaired driving under subsection (a) is feasible, the Secretary shall, not later than 1 year after that determination, promulgate regulations establishing a model marijuana impairment standard for States.

SEC. 226. FUNDING.

In addition to amounts otherwise available, there is appropriated, out of any money in the Treasury not other-
Title III—Restorative Justice and Opportunity
Subtitle A—Opportunity Trust Fund Programs

Sec. 301. Opportunity Trust Fund Programs.

(a) Cannabis Justice Office; Community Reinvestment Grant Program.—

(1) Cannabis Justice Office.—Part A of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.) is amended by inserting after section 109 the following:

“Sec. 110. Cannabis Justice Office.

“(a) Establishment.—There is established within the Office of Justice Programs a Cannabis Justice Office.

“(b) Director.—The Cannabis Justice Office shall be headed by a Director who shall be appointed by the Assistant Attorney General for the Office of Justice Programs. The Director shall report to the Assistant Attorney General for the Office of Justice Programs. The Director shall award grants and may enter into compacts, cooperative agreements, and contracts on behalf of the Cannabis Justice Office. The Director may not engage in any em-
employment other than that of serving as the Director, nor may the Director hold any office in, or act in any capacity for, any organization, agency, or institution with which the Office makes any contract or other arrangement.

“(c) Employees.—

“(1) In general.—The Director shall employ as many full-time employees as are needed to carry out the duties and functions of the Cannabis Justice Office under subsection (d). Such employees shall be exclusively assigned to the Cannabis Justice Office.

“(2) Initial hires.—Not later than 180 days after the date of enactment of this section, the Director shall—

“(A) hire not less than \( \frac{1}{3} \) of the total number of employees of the Cannabis Justice Office;

“(B) not greater than \( \frac{1}{2} \) of the employees assigned to the Cannabis Justice Office by term appointment that may after 2 years be converted to career appointment; and

“(C) hire not fewer than 1 employee to serve as a Tribal Relations Coordinator.

“(3) Legal counsel.—At least 1 employee hired for the Cannabis Justice Office shall serve as
legal counsel to the Director and shall provide counsel to the Cannabis Justice Office.

“(d) DUTIES AND FUNCTIONS.—The Cannabis Justice Office is authorized to—

“(1) administer the Community Reinvestment Grant Program; and

“(2) perform such other functions as the Assistant Attorney General for the Office of Justice Programs may delegate, that are consistent with the statutory obligations of this section.”.

(2) COMMUNITY REINVESTMENT GRANT PROGRAM.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.) is amended by adding at the end the following:

“PART PP—COMMUNITY REINVESTMENT GRANT PROGRAM

“SEC. 3061. AUTHORIZATION.

“The Director of the Cannabis Justice Office shall establish and carry out a grant program, known as the ‘Community Reinvestment Grant Program’, to provide eligible entities with funds to administer services for individuals adversely impacted by the War on Drugs, including—

“(1) job training;

“(2) reentry services;
“(3) legal aid for civil and criminal cases, including expungement of cannabis convictions;

“(4) literacy programs;

“(5) youth recreation or mentoring programs;

and

“(6) health education programs.

“SEC. 3062. DEFINITIONS.

“In this part:

“(1) The term ‘cannabis conviction’ means a conviction, or adjudication of juvenile delinquency, for a cannabis offense, as defined in section 3 of the Cannabis Administration and Opportunity Act).

“(2) The term ‘eligible entity’ means a non-profit organization, as described in section 501(c)(3) of the Internal Revenue Code and exempt from taxation under section 501(a) of such Code, an Indian Tribe, a Tribal organization (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)), or a Native Hawaiian-serving entity that is representative of a community or a significant segment of a community with experience in providing relevant services to individuals adversely impacted by the War on Drugs in that community.
“(3) The term ‘individual adversely impacted by the War on Drugs’ has the meaning given the term in section 301(b)(1) of the Cannabis Administration and Opportunity Act.

“(4) The term ‘Native Hawaiian-serving entity’ means—

“(A) a Native Hawaiian organization (as defined in section 6207 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7517));

“(B) the Department of Hawaiian Home Lands; and

“(C) the Office of Hawaiian Affairs.”.

(b) CANNABIS OPPORTUNITY PROGRAM; EQUITABLE LICENSING GRANT PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) ADMINISTRATION; ADMINISTRATOR.—

The terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively.

(B) ELIGIBLE INDIAN TRIBE.—The term “eligible Indian Tribe” means an Indian Tribe that has taken steps—

(i) to create an automatic process, at no cost to an individual, to expunge, de-
strove, or seal criminal records for cannabis offenses; and

(ii) to eliminate violations or other penalties for individuals under parole, probation, pre-trial, or other Tribal criminal supervision for a cannabis offense.

(C) Eligible State or Locality.—The term “eligible State or locality” means a State or locality that has taken steps—

(i) to create an automatic process, at no cost to an individual, to expunge, destroy, or seal criminal records for cannabis offenses; and

(ii) to eliminate violations or other penalties for individuals under parole, probation, pre-trial, or other State or local criminal supervision for a cannabis offense.

(D) Federal Poverty Level.—The term “Federal Poverty Level” has the meaning given the term “poverty line” in section 2110(c) of the Social Security Act (42 U.S.C. 1397jj(c)).

(E) Individual Adversely Impacted by the War on Drugs.—The term “individual adversely impacted by the War on Drugs” means an individual—
(i) who has had an income below 250 percent of the Federal Poverty Level for not fewer than 5 of the past 10 years, as of the date on which the individual seeks to participate in a program established under this section or an amendment made by this section; and

(ii)(I) who has been arrested for, or convicted of, the sale, possession, use, manufacture, or cultivation of cannabis (except for a conviction involving distribution to a minor); or

(II) the parent, sibling, spouse, or child of whom has been arrested for, or convicted of, an offense described in subclause (I).

(F) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term “small business concern owned and controlled by socially and economically disadvantaged individuals” has the meaning given the term in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).

(G) STATE.—The term “State” means—
(i) each of the several States;
(ii) the District of Columbia;
(iii) the Commonwealth of Puerto Rico; and
(iv) any territory or possession of the United States.

(2) CANNABIS RESTORATIVE OPPORTUNITY PROGRAM.—

(A) IN GENERAL.—The Administrator shall establish and carry out a program, to be known as the “Cannabis Restorative Opportunity Program”, to provide loans and technical assistance under section 7(m) of the Small Business Act (15 U.S.C. 636(m)) to assist small business concerns owned and controlled by socially and economically disadvantaged individuals that operate—

(i) in eligible States or localities; or

(ii) in the jurisdiction of eligible Indian Tribes.

(B) TRIBAL SET ASIDE.—Of the amounts made available to carry out subparagraph (A), 5 percent shall be used to provide loans and technical assistance under section 7(m) of the Small Business Act (15 U.S.C. 636(m)) to as-
sist small business concerns owned and con-
trolled by socially and economically disadvan-
taged individuals that operate in the jurisdici-
tion of an eligible Indian Tribe.

(3) **Equitable Licensing Grant Program.**—
The Administrator shall establish and carry out a
grant program, to be known as the “Equitable Li-
censing Grant Program”, to provide any eligible
State or locality or eligible Indian Tribe funds to de-
velop and implement equitable cannabis licensing
programs that minimize barriers to cannabis licens-
ing and employment for individuals adversely im-
pacted by the War on Drugs, provided that each
grantee includes in the cannabis licensing program
of the grantee not less than 4 of the following ele-
ments:

(A) A waiver of cannabis license applica-
tion fees for an individual who—

(i) has had an income below 250 per-
cent of the Federal Poverty Level for not
fewer than 5 of the 10 years preceding the
date on which the individual submits an
application; and

(ii) is a first-time applicant.
(B) A prohibition on the denial of a cannabis license based on a conviction for a cannabis offense that took place before the eligible State or locality (or, in the case of a locality, the State in which the locality is located) or eligible Indian Tribe legalized the production, distribution, or possession of cannabis or the date of enactment of this Act, as applicable.

(C) A prohibition on restrictions for licensing relating to criminal convictions except with respect to a criminal conviction related to owning and operating a business.

(D) A prohibition on cannabis license holders engaging in suspicionless cannabis drug testing of their prospective or current employees, except with respect to drug testing for safety-sensitive positions under part 40 of title 49, Code of Federal Regulations, or any successor regulations.

(E) The establishment of a cannabis licensing board that—

(i) is reflective of the racial, ethnic, economic, and gender composition of the eligible State or locality or eligible Indian Tribe;
(ii) includes at least 1 representative from an eligible Indian Tribe that has jurisdiction within that eligible State or locality or that has Tribal jurisdiction, as applicable; and

(iii) shall serve as an oversight body of the equitable licensing program.

(4) Study on programs.—

(A) GAO study.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Comptroller General of the United States, in consultation with the Administrator, shall conduct a study on the individuals and entities receiving assistance under the Cannabis Restorative Opportunity and Equitable Licensing Programs established under paragraphs (2) and (3), respectively, which shall include—

(i) the types of assistance by State;

and

(ii) a description of—

(I) the efforts by the Administration to increase access to capital for cannabis-related small business concerns owned and controlled by socially
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and economically disadvantaged indivi-
duals and small business concerns
owned and controlled by individuals
adversely impacted by the War on
Drugs; and
(II) the racial, ethnic, economic
and gender composition of the eligible
State or locality.

(B) REPORT.—The Comptroller General of
the United States shall submit a report on the
results of each study conducted under subpara-
graph (A) to—

(i) the Committee on Small Business
and Entrepreneurship of the Senate;
(ii) the Committee on Small Business
of the House of Representatives;
(iii) the Committee on the Judiciary
of the Senate; and
(iv) the Committee on the Judiciary of
the House of Representatives.

(c) APPROPRIATIONS.—

(1) COMMUNITY REINVESTMENT GRANT PRO-
GRAM.—In addition to amounts otherwise available,
there is appropriated, out of any funds in the Treasurer not otherwise appropriated, $1,650,000,000 for
fiscal year 2025, to remain available until September 30, 2029, to carry out the program under part PP of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10101 et seq.), as added by subsection (a)(2).

(2) **Cannabis Restorative Opportunity Program.**—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $17,000,000 for fiscal year 2025, to remain available until September 30, 2029, to carry out the program under subsection (b)(2).

(3) **Equitable Licensing Grant Program.**—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $550,000,000 for fiscal year 2025, to remain available until September 30, 2029, to carry out the program under subsection (b)(3).

**SEC. 302. COMPREHENSIVE OPIOID, STIMULANT, AND SUBSTANCE USE DISORDER PROGRAM.**

(a) **In General.**—Part LL of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (34 U.S.C. 10701 et seq.) is amended—
(1) in the part heading, by striking “OPIOID ABUSE GRANT” and inserting “OPIOID, STIMULANT, AND SUBSTANCE USE DISORDER”;

(2) in section 3021(a) (34 U.S.C. 10701(a))—

(A) in paragraph (2), by striking “opioid abuse” and inserting “substance use disorder”;

(B) in paragraph (7), by striking “opioid abuse” and inserting “substance use disorder”;

and

(C) in paragraph (10), by striking “opioid” and inserting “substance misuse and”; and

(3) in section 3022(4) (34 U.S.C. 10702(4)), by striking “opioid abuse” and inserting “substance misuse and abuse”.

(b) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $200,000,000 for each of fiscal years 2025 through 2029 to carry out the program under part LL of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended by subsection (a) of this section.
SEC. 303. AVAILABILITY OF SMALL BUSINESS ADMINISTRATION PROGRAMS AND SERVICES TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.

(a) Definitions Relating to Cannabis-Related Legitimate Businesses and Service Providers.—

Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

“(gg) Cannabis-Related Legitimate Businesses and Service Providers.—In this Act:

“(1) Cannabis; cannabis product.—The terms ‘cannabis’ and ‘cannabis product’ have the meanings given those terms in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

“(2) Cannabis-related legitimate business.—The term ‘cannabis-related legitimate business’ means a manufacturer, producer, or any person or company that is a small business concern and that—

“(A) engages in any activity described in subparagraph (B) pursuant to a law established by an Indian tribe (as defined in section 8(a)(13)), a State, or a political subdivision of a State, as determined by that Indian tribe (as so defined), State, or political subdivision; and
“(B) participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.

“(3) CANNABIS-RELATED SERVICE PROVIDER.—

The term ‘cannabis-related service provider’—

“(A) means a business, organization, or other person that—

“(i) sells goods or services to a cannabis-related legitimate business; or

“(ii) provides any business services, including the sale or lease of real or any other property, legal or other licensed services, or any other ancillary service, relating to cannabis; and

“(B) does not include a business, organization, or other person that participates in any business or organized activity that involves handling cannabis or cannabis products, including cultivating, producing, manufacturing, selling, transporting, displaying, dispensing, distributing, or purchasing cannabis or cannabis products.”.
(b) **Small Business Development Centers.**—Section 21(c) of the Small Business Act (15 U.S.C. 648(c)) is amended by adding at the end the following:

“(9) **Services for Cannabis-Related Legitimate Businesses and Service Providers.**—A small business development center may not decline to provide services to an otherwise eligible small business concern under this section solely because the concern is a cannabis-related legitimate business or cannabis-related service provider.”.

(c) **Women’s Business Centers.**—Section 29 of the Small Business Act (15 U.S.C. 656) is amended by adding at the end the following:

“(p) **Services for Cannabis-Related Legitimate Businesses and Service Providers.**—A women’s business center may not decline to provide services to an otherwise eligible small business concern under this section solely because the concern is a cannabis-related legitimate business or cannabis-related service provider.”.

(d) **SCORE.**—Section 8(b)(1)(B) of the Small Business Act (15 U.S.C. 637(b)(1)(B)) is amended by adding at the end the following: “The head of the SCORE program established under this subparagraph may not decline to provide services to an otherwise eligible small business concern solely because the concern is a cannabis-related legitimate business or cannabis-related service provider.”.
concern solely because the concern is a cannabis-related legitimate business or cannabis-related service provider.”

(c) VETERAN BUSINESS OUTREACH CENTERS.—Section 32 of the Small Business Act (15 U.S.C. 657b) is amended by adding at the end the following:

“(h) SERVICES FOR CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—A Veteran Business Outreach Center may not decline to provide services to an otherwise eligible small business concern under this section solely because the concern is a cannabis-related legitimate business or cannabis-related service provider.”

(f) COMMUNITY NAVIGATORS PILOT PROGRAM.—Section 5004 of the American Rescue Plan Act of 2021 (15 U.S.C. 9013) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

“(d) ASSISTANCE TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—The Administrator may not decline to make a grant to or enter into a contract or cooperative agreement with an entity under this section solely because the entity is a cannabis-related business or cannabis-related service provider (as
(g) 7(a) LOANS.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

“(38) LOANS TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—The Administrator may not decline to provide a guarantee for a loan under this subsection, and a lender may not decline to make a loan under this subsection, to an otherwise eligible small business concern solely because the concern is a cannabis-related legitimate business or cannabis-related service provider.”.

(h) DISASTER LOANS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended—

(1) by redesignating the second paragraph (16) (relating to statute of limitations) as paragraph (17); and

(2) by inserting after paragraph (17), as so redesignated, the following:

“(18) ASSISTANCE TO CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.—The Administrator may not decline to provide assistance under this subsection to an otherwise eligible
small business concern solely because the concern is
a cannabis-related legitimate business or cannabis-
related service provider.”.

(i) Microloans.—Section 7(m) of the Small Busi-
ness Act (15 U.S.C. 636(m)) is amended by adding at the
end the following:

“(14) Assistance to cannabis-related legiti-
mate businesses and service providers.—
The Administrator may not decline to make a loan
or a grant under this subsection, and an eligible
intermediary may not decline to provide assistance
under this subsection to an otherwise eligible bor-
rrower, eligible intermediary, or eligible nonprofit en-
tity (as applicable), solely because such borrower,
intermediary, or nonprofit entity is a cannabis-re-
lated legitimate business or cannabis-related service
provider.”.

(j) Small Business Investment Company De-
bentures to finance cannabis-related legiti-
mate businesses and service providers.—Part A of
title III of the Small Business Investment Act of 1958
(15 U.S.C. 681 et seq.) is amended by adding at the end
“SEC. 321. DEBENTURES TO FINANCE CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.

“(a) GUARANTEES.—The Administrator may not decline to purchase or guarantee a debenture made under this title to an otherwise eligible small business investment company solely because such small business investment company provides financing to an entity that is a cannabis-related legitimate business or cannabis-related service provider (as defined in section 3 of the Small Business Act (15 U.S.C. 632)).

“(b) OTHER ASSISTANCE.—A small business investment company may not decline to provide assistance under this title to an otherwise eligible small business concern solely because the small business concern is a cannabis-related legitimate business or cannabis-related service provider (as defined in section 3 of the Small Business Act (15 U.S.C. 632)).”.

(k) STATE OR LOCAL DEVELOPMENT COMPANY LOANS.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following:

“SEC. 511. LOANS TO FINANCE CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.

“(a) LOANS AND LOAN GUARANTEES.—The Administrator may not decline to make or provide a guarantee
for a loan under this title to an otherwise eligible qualified State, Tribal, or local development company solely because such qualified State, Tribal, or local development company provides financing to an entity that is a cannabis-related legitimate business or cannabis-related service provider (as defined in section 3 of the Small Business Act (15 U.S.C. 632)).

“(b) Other Assistance.—A qualified State or local development company may not decline to provide assistance under this title to an otherwise eligible small business concern solely because such small business concern is a cannabis-related legitimate business or cannabis-related service provider (as defined in section 3 of the Small Business Act (15 U.S.C. 632)).”.

SEC. 304. DEMOGRAPHIC DATA OF CANNABIS BUSINESS OWNERS AND EMPLOYEES.

(a) In General.—The Bureau of Labor Statistics shall regularly compile, maintain, and make public data on the demographics of—

(1) individuals who are business owners in the cannabis industry; and

(2) individuals who are employed in the cannabis industry.

(b) Demographic Data.—The data collected under subsection (a) shall include data regarding—
(1) age;
(2) certifications and licenses;
(3) disability status;
(4) educational attainment;
(5) family and marital status;
(6) nativity;
(7) race and Hispanic ethnicity;
(8) school enrollment;
(9) veteran status; and
(10) sex.

(c) CONFIDENTIALITY.—Notwithstanding any other provision in this section, the name, address, and other identifying information of an individual described in subsection (a) shall be kept confidential by the Bureau of Labor Statistics and not be made available to the public.

(d) DEFINITIONS.—In this section:

(1) CANNABIS INDUSTRY.—The term “cannabis industry” means the industry, in any State, jurisdiction of an Indian Tribe, or locality in the United States, in which an individual or entity—

(A) conducts businesses pursuant to a permit issued under section 302 of the Federal Alcohol Administration Act, as added by section 511; or
(B) is otherwise licensed or permitted under the law in such State, jurisdiction of such Indian Tribe, or law in such locality to engage in a commercial cannabis-related activity.

(2) Owner.—The term “owner”, with respect to a business, means an individual or entity that is defined as an owner under the State, Tribal, or local law where the individual or entity is licensed or permitted to operate such business.

(3) State.—The term “State” means—

(A) each of the several States;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

and

(D) any territory or possession of the United States.

SEC. 305. PILOT PROGRAM.

Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end the following:

“(o) PILOT PROGRAM.—

“(1) DEFINITIONS.—In this subsection:

“(A) ELIGIBLE INTERMEDIARY.—The term ‘eligible intermediary’ means—

“(i) a private, nonprofit entity, including a private, nonprofit community devel-
opment corporation, a consortium of private, nonprofit organizations or nonprofit community development corporations, and an agency of or nonprofit entity established by a Native American Tribal Government, that—

“(I) seeks or has been awarded a loan from the Administrator to make loans to small business concerns under this subsection; and

“(II) has not less than 1 year of experience making loans to startup or socially and economically disadvantaged small business concerns;

“(ii) a community development financial institution, as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702); and

“(iii) a minority depository institution, as defined in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note).
“(B) INDIVIDUAL ADVERSELY IMPACTED
BY THE WAR ON DRUGS.—The term ‘individual
adversely impacted by the War on Drugs’ has
the meaning given the term in section 301(b) of
the Cannabis Administration and Opportunity
Act.

“(C) PROGRAM.—The term ‘Program’
means the small business intermediary lending
pilot program established under paragraph (2).

“(D) SOCIALLY AND ECONOMICALLY DIS-
ADVANTAGED SMALL BUSINESS CONCERN.—The
term ‘socially and economically disadvantaged
small business concern’ has the meaning given
the term in section 8(a)(4)(A).

“(2) ESTABLISHMENT.—There is established a
10-year small business intermediary lending pilot
program under which the Administrator may—

“(A) make direct loans to eligible inter-
mediaries for the purpose of making loans to
startup small business concerns, small business
concerns owned and controlled by individuals
adversely impacted by the War on Drugs, or so-
cially and economically disadvantaged small
business concerns; and
“(B) in conjunction with the direct loans described in subparagraph (A), make grants to eligible intermediaries for the purpose of providing intensive marketing, management, regulatory compliance, and technical assistance to the small business concerns described in subparagraph (A) that receive a loan under this subsection.

“(3) LOANS TO ELIGIBLE INTERMEDIARIES.—

“(A) APPLICATION.—Each eligible intermediary desiring a loan under this subsection shall submit an application to the Administrator that describes—

“(i) the type of small business concerns to be assisted;

“(ii) the size and range of loans to be made;

“(iii) the interest rate and terms of loans to be made;

“(iv) the geographic area to be served and the economic, poverty, and unemployment characteristics of the area;

“(v) the status of small business concerns in the area to be served and an analysis of the availability of credit;
“(vi) the marketing, management, regulatory compliance, and other technical assistance to be provided in connection with a loan made under this subsection; and

“(vii) the qualifications of the applicant to carry out this subsection.

“(B) Loan limits.—No loan may be made to an eligible intermediary under this subsection if the total amount outstanding and committed to the eligible intermediary by the Administrator would, as a result of such loan, exceed $10,000,000 during the participation of the eligible intermediary in the Program.

“(C) Loan duration.—Loans made by the Administrator under this subsection shall be for a term of 20 years.

“(D) Applicable interest rate.—Loans made by the Administrator to an eligible intermediary under the Program shall bear an annual interest rate equal to the interest rate described in subsection (m)(3)(F)(ii).

“(E) Fees; collateral.—The Administrator may not charge any fees or require col-
lateral with respect to any loan made to an eligible intermediary under this subsection.

“(F) DELAYED PAYMENTS.—The Administrator shall not require the repayment of principal or interest on a loan made to an eligible intermediary under the Program during the 2-year period beginning on the date of the initial disbursement of funds under that loan.

“(G) MAXIMUM PARTICIPANTS AND AMOUNTS.—During each fiscal year, the Administrator may make loans under the Program—

“(i) to not more than 30 eligible intermediaries; and

“(ii) in a total amount of not more than $300,000,000.

“(4) LOANS TO SMALL BUSINESS CONCERNS.—

“(A) IN GENERAL.—The Administrator, through an eligible intermediary, shall make loans to the small business concerns described in paragraph (2) for eligible uses under subsection (a).

“(B) MAXIMUM LOAN.—An eligible intermediary may not make a loan under this sub-
section of more than $200,000 to any 1 small business concern.

“(C) APPLICABLE INTEREST RATES.—

“(i) IN GENERAL.—Subject to clause (ii), a loan made by an eligible intermediary to a small business concern under this subsection—

“(I) may have a fixed or a variable interest rate; and

“(II) shall bear an interest rate specified by the eligible intermediary in the application of the eligible intermediary for a loan under this subsection.

“(ii) RESTRICTIONS.—The Administrator may limit the interest rate or provide forbearance or deferment on repayment of a loan made by an eligible intermediary to a small business concern under this section.

“(D) REVIEW RESTRICTIONS.—The Administrator may not review individual loans made by an eligible intermediary to a small business concern before approval of the loan by the eligible intermediary.
“(5) FUNDING.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, for fiscal year 2025, to remain available until September 30, 2029—

“(A) $90,000,000 to carry out paragraph (2)(A); and

“(B) $41,000,000 to carry out paragraph (2)(B).

“(6) TERMINATION.—The authority of the Administrator to make loans under the Program shall terminate on the date that is 10 years after the date of enactment of this subsection.

“(7) SENSE OF THE SENATE.—It is the sense of the Senate that the Administrator should issue regulations to ensure that the processing and disbursement of loans under this subsection prioritizes individuals adversely impacted by the War on Drugs.”.

SEC. 306. ELIMINATING DISPARITIES AMONG CANNABIS-RELATED LEGITIMATE BUSINESSES AND SERVICE PROVIDERS.

(a) DEFINITIONS.—In this section—

(1) the terms “cannabis-related legitimate business” and “cannabis-related service provider” have
the meanings given those terms in section 3 of the Small Business Act (15 U.S.C. 632), as added by section 303; and

(2) the term “individual adversely impacted by the War on Drugs” has the meaning given the term in section 301(b).

(b) REVIEW.—The Administrator of the Small Business Administration—

(1) shall review regulations, policies, and guidance of the Administration to eliminate disparities for cannabis-related legitimate businesses and cannabis-related service providers, including by reducing regulatory burdens and increasing loan eligibility for minority businesses and individuals adversely impacted by the War on Drugs; and

(2) in carrying out paragraph (1), may consider effective, State-level systems designed to eliminate disparities for cannabis-related legitimate businesses and cannabis-related service providers.

Subtitle B—Restorative Justice

SEC. 311. RESENTENCING AND EXPUNGEMENT.

(a) EXPUNGEMENT OF FEDERAL CANNABIS OFFENSE CONVICTIONS FOR INDIVIDUALS NOT UNDER A CRIMINAL JUSTICE SENTENCE.—
(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, each judicial district shall conduct a comprehensive review and issue an order expunging each conviction or adjudication of juvenile delinquency for a Federal cannabis offense entered by each district court of the United States in the judicial district during the period beginning on May 1, 1971, and ending on the day before the date of enactment of this Act. Each district court of the United States shall also issue an order expunging any arrests associated with each expunged conviction or adjudication of juvenile delinquency.

(2) NOTIFICATION.—To the greatest extent practicable, each district court of the United States shall notify each individual whose arrest, conviction, or adjudication of delinquency has been expunged pursuant to this subsection that their arrest, conviction, or adjudication of juvenile delinquency has been expunged, and the effect of such expungement.

(3) RIGHT TO PETITION COURT FOR EXPUNGEMENT.—At any point after the date of enactment of this Act, any individual with a prior conviction or adjudication of juvenile delinquency for a Federal cannabis offense, who is not serving a crimi-
nal sentence, may file a motion for expungement. If
the expungement of such a conviction or adjudica-
tion of juvenile delinquency is required pursuant to
this Act, the court shall expunge the conviction or
adjudication, and any associated arrests. If the indi-
vidual is indigent, counsel shall be appointed to rep-
resent the individual in any proceedings under this
subsection.

(4) SEALED RECORD.—The court shall seal all
records related to a conviction or adjudication of ju-
venile delinquency that has been expunged under
this subsection. Such records may only be made
available by further order of the court.

(5) CERTIFICATION.—The court shall provide a
certificate to the individual receiving expungement
for a prior Federal cannabis offense. Any records of
this certification shall be sealed under paragraph
(4).

(b) EFFECT OF EXPUNGEMENT.—An individual who
has had an arrest, a conviction, or juvenile delinquency
adjudication expunged under this section—

(1) may treat the arrest, conviction, or adju-
dication as if it never occurred;

(2) shall be immune from any civil or criminal
penalties related to perjury, false swearing, or false
statements, for a failure to disclose such arrest, conviction, or adjudication; and

(3) shall not be subject to any loss of Federal benefits related to the expunged cannabis offense.

(c) EXCEPTION.—An individual who at sentencing received an aggravating role adjustment pursuant to section 3B1.1(a) of the United States Sentencing Guidelines in relation to a Federal cannabis offense conviction shall not be eligible for expungement of that Federal cannabis offense conviction under this section, unless a district court of the United States conducting the sentencing review finds mitigating factors to warrant expungement, including the age of the individual at the time of the arrest, conviction, or adjudication, the role of the individual in the offense, or whether it was the first Federal cannabis offense committed by the individual.

(d) STUDY.—The Comptroller General of the United States, in consultation with the Secretary of Health and Human Services, shall conduct a demographic study of individuals convicted of a Federal cannabis offense. Such study shall include information about the age, race, ethnicity, sex, and gender identity of those individuals, the type of community such users dwell in, and such other demographic information as the Comptroller General determines should be included.
(e) Report.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the results of the study conducted under subsection (d).

(f) Definitions.—In this section:

(1) The term “Federal cannabis offense” means an offense that is no longer punishable pursuant to this Act or the amendments made under this Act.

(2) The term “expunge” means, with respect to an arrest, a conviction, or a juvenile delinquency adjudication, the removal of the record of such arrest, conviction, or adjudication from each official index or public record.

(3) The term “serving a criminal sentence” means, with respect to an individual, that the individual is serving a term of probation, parole, supervised release, imprisonment, official detention, pre-release custody, or work release, pursuant to a sentence or disposition of juvenile delinquency imposed on or after May 1, 1971.

SEC. 312. NO DISCRIMINATION IN THE PROVISION OF A FEDERAL PUBLIC BENEFIT ON THE BASIS OF CANNABIS.

(a) In General.—No person may be denied any Federal public benefit (as such term is defined in section
401(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(c))) on the basis of any use or possession of cannabis, or on the basis of a conviction or adjudication of juvenile delinquency for a cannabis offense, by that person.

(b) Security Clearances.—A Federal agency may not grant, deny, or rescind a security clearance based solely on past or present cannabis use.

SEC. 313. NO ADVERSE EFFECT FOR PURPOSES OF THE IMMIGRATION LAWS.

(a) In General.—For purposes of the immigration laws (as defined in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101(a))), cannabis may not be considered a controlled substance, and an alien may not be denied any benefit or protection under the immigration laws based on any event, including conduct, a finding, an admission, addiction or abuse, an arrest, a juvenile adjudication, or a conviction, relating to cannabis, regardless of whether the event occurred before, on, or after the effective date of this Act.

(b) Amendments to the Immigration and Nationality Act.—The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 101(f)(3) (8 U.S.C. 1101(f)(3)), by striking “(except as such paragraph relates to a
single offense of simple possession of 30 grams or less of marihuana’’;

(2) in section 210(c)(2)(B)(ii)(III) (8 U.S.C. 1160(c)(2)(B)(ii)(III)), by striking ‘‘, except for so much of such paragraph as relates to a single offense of simple possession of 30 grams or less of marihuana’’;

(3) in section 212(h) (8 U.S.C. 1182(h)), by striking ‘‘and subparagraph (A)(i)(II) of such subsection insofar as it relates to a single offense of simple possession of 30 grams or less of marijuana’’;

(4) in section 237(a)(2)(B)(i) (8 U.S.C. (a)(2)(B)(i)), by striking ‘‘, other than a single offense involving possession for one’s own use of 30 grams or less of marijuana’’;

(5) in section 240(c)(6) (8 U.S.C. 1229a(c)(6)), by amending subparagraphs (A) and (B) to read as follows:

“(A) RIGHT TO FILE.—

“(i) IN GENERAL.—Except as provided in clause (ii), a noncitizen may file 1 motion to reconsider a decision that the alien is removable from the United States.

“(ii) REMOVAL ORDERS IMPACTED BY CANNABIS OFFENSES.—In addition to the
motion authorized under clause (i), a re-
moval order shall be reconsidered upon a
motion filed at any time by a noncitizen
demonstrating that—

“(I) such order was based, in
whole or in part, on an offense relat-
ing to cannabis that rendered the non-
citizen deportable or inadmissible; or

“(II) an offense relating to can-
nabis—

“(aa) rendered the noncit-
izen ineligible for a benefit or re-
lief under this Act; or

“(bb) formed all or part of
the basis for the denial of a ben-
efit or relief under this Act.

“(B) DEADLINE.—A motion to reconsider
under subparagraph (A)(i) shall be filed not
later than 30 days after the date of entry of the
relevant final administrative order of removal.”;

(6) in section 244(c)(2)(A)(iii)(II) (8 U.S.C.
1254a(c)(2)(A)(iii)(II)) by striking “, except for so
much of such paragraph as relates to a single of-
fense of simple possession of 30 grams or less of
marijuana”;
(7) in section 245(h)(2)(B) (8 U.S.C. 1255(h)(2)(B)) by striking “(except for so much of such paragraph as related to a single offense of simple possession of 30 grams or less of marijuana)”;

and

(8) in section 245A(d)(2)(B)(ii)(II) (8 U.S.C. 1255a(d)(2)(B)(ii)(II)) by striking “, except for so much of such paragraph as relates to a single offense of simple possession of 30 grams or less of marihuana”.

SEC. 314. PROVISION BY HEALTH CARE PROVIDERS OF THE DEPARTMENT OF VETERANS AFFAIRS OF RECOMMENDATIONS AND OPINIONS REGARDING VETERAN PARTICIPATION IN CANNABIS PROGRAMS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall update all applicable regulations, guidance, memoranda, and policies of the Department of Veterans Affairs to authorize physicians and other health care providers employed by the Department—

(1) to provide recommendations and opinions to veterans regarding the participation of such veterans in cannabis programs authorized under State or Federal law; and
(2) to complete forms reflecting such recommendations and opinions.

SEC. 315. PROVISION BY HEALTH CARE PROVIDERS OF INDIAN HEALTH PROGRAMS OF RECOMMENDATIONS AND OPINIONS REGARDING PARTICIPATION IN CANNABIS PROGRAMS.

Not later than 180 days after the date of enactment of this Act, the Director of the Indian Health Service shall update all applicable regulations, guidance, memoranda, and policies of the Indian Health Service to authorize health care providers (as defined in section 805(a) of the Indian Health Care Improvement Act (25 U.S.C. 1675(a)))—

(1) to provide recommendations and opinions to patients relating to the participation of those patients in State or Tribal cannabis programs authorized under Federal or State law; and

(2) to complete forms reflecting those recommendations and opinions.
TITLE IV—TAXATION AND ESTABLISHMENT OF TRUST FUND

SEC. 401. CREATION OF OPPORTUNITY TRUST FUND AND IMPOSITION OF TAXES WITH RESPECT TO CANNABIS PRODUCTS.

(a) CANNABIS REVENUE AND REGULATION ACT.—Subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new chapter:

“CHAPTER 56—CANNABIS PRODUCTS

“SUBCHAPTER A. TAX ON CANNABIS PRODUCTS

“SUBCHAPTER B. AUTHORIZATION AND BOND REQUIREMENTS

“SUBCHAPTER C. OPERATIONS

“SUBCHAPTER D. PENALTIES

“Subchapter A—Tax on Cannabis Products

“Sec. 5901. Imposition of tax.
“Sec. 5902. Definitions.
“Sec. 5903. Liability and method of payment.
“Sec. 5904. Exemption from tax; transfers in bond.
“Sec. 5905. Credit, refund, or drawback of tax.

“SEC. 5901. IMPOSITION OF TAX.

“(a) IMPOSITION OF TAX.—There is hereby imposed on any cannabis product produced in or imported into the United States a tax equal to—

“(1) for any such product removed during the first 5 calendar years ending after the date on which this chapter becomes effective, the applicable percentage of such product's removal price, and
“(2) for any product removed during any calendar year after the calendar years described in paragraph (1), the applicable equivalent amount.

“(b) Applicable Percentage.—For purposes of subsection (a)(1), the applicable percentage shall be determined as follows:

“(1) For any cannabis product sold during the first 2 calendar years in which this chapter becomes effective, 10 percent.

“(2) For any cannabis product sold during the calendar year after the period described in paragraph (1), 15 percent.

“(3) For any cannabis product sold during the calendar year after the period described in paragraph (2), 20 percent.

“(4) For any cannabis product sold during the calendar year after the period described in paragraph (3), 25 percent.

“(c) Applicable Equivalent Amount.—

“(1) In general.—For purposes of subsection (a)(2), the term ‘applicable equivalent amount’ means, with respect to any cannabis product removed during any calendar year, an amount equal to—
“(A) in the case of any cannabis product not described in subparagraph (B), the product of the applicable rate per ounce multiplied by the number of ounces of such product (and a proportionate tax at the like rate on all fractional parts of an ounce of such product), and

“(B) in the case of any THC product, the product of the applicable rate per gram multiplied by the number of grams of tetrahydrocannabinol in such product (and a proportionate tax at the like rate on all fractional parts of a gram of tetrahydrocannabinol in such product).

“(2) APPLICABLE RATES.—

“(A) IN GENERAL.—For purposes of paragraph (1)(A), the term ‘applicable rate per ounce’ means, with respect to any cannabis product removed during any calendar year, 25 percent of the prevailing sales price of cannabis flowers sold in the United States during the 12-month period ending one calendar quarter before such calendar year, expressed on a per ounce basis, as determined by the Secretary.

“(B) THC PRODUCTS.—For purposes of paragraph (1)(B), the term ‘applicable rate per
gram’ means, with respect to any cannabis product removed during any calendar year, 25 percent of the prevailing sales price of tetrahydrocannabinol sold in the United States during the 12-month period ending one calendar quarter before such calendar year, expressed on a per gram basis, as determined by the Secretary.

“(d) Time of Attachment on Cannabis Products; Lien for Tax.—

“(1) Time of Attachment.—The tax under this section shall attach to any cannabis product as soon as such product is in existence as such, whether it be subsequently separated or transferred into any other substance, either in the process of original production or by any subsequent process.

“(2) Lien for Tax.—

“(A) In General.—The tax imposed by this section shall be a first lien on the cannabis product from the time the product is in existence as such until the tax is paid.

“(B) Exceptions.—The lien imposed by this paragraph shall terminate in the case of products produced at a cannabis production facility when such products are—
“(i) withdrawn from bonded premises on determination of tax,

“(ii) withdrawn from bonded premises free of tax under provisions of section 5904(a), or

“(iii) exported, deposited in a foreign-trade zone, or deposited in a customs bonded warehouse.

“(e) Credit for Qualified Domestic Manufacturers.—

“(1) In general.—In the case of a qualified domestic manufacturer of cannabis products, there shall be allowed as a credit against any tax imposed by subsection (a) for the calendar year an amount equal to 50 percent of the applicable tax amount for such calendar year.

“(2) Applicable Tax Amount.—

“(A) In general.—For purposes of this subsection, the applicable tax amount shall be an amount equal to the lesser of—

“(i) the amount of any tax imposed by subsection (a) for the calendar year, or

“(ii) the phase-in amount.
“(B) PHASE-IN AMOUNT.—For purposes of subparagraph (A), the phase-in amount shall be an amount equal to—

“(i) for the calendar year which includes the date on which this chapter first becomes effective, $2,000,000,

“(ii) for the first calendar year subsequent to the calendar year described in clause (i), $2,000,000,

“(iii) for the second calendar year subsequent to the calendar year described in clause (i), $3,000,000,

“(iv) for the third calendar year subsequent to the calendar year described in clause (i), $4,000,000, and

“(v) for any calendar years subsequent to the calendar year described in clause (iv), $5,000,000.

“(3) CREDIT NOT ALLOWED FOR CANNABIS RECEIVED IN BOND, IMPORTED, SMUGGLED, OR ILLEGALLY PRODUCED.—

“(A) IN GENERAL.—The credit under this subsection shall not apply in the case of any cannabis which is—

“(i) received in bond,
“(ii) imported,

“(iii) smuggled into the United States, or

“(iv) produced other than as authorized by this chapter.

“(B) Substantial processing exception.—Subparagraph (A)(i) shall not apply with respect to any cannabis which is transferred in bond solely as unprocessed plant matter if such cannabis is processed by the taxpayer to produce an extract which contains no plant matter.

“(C) Contract packaging and labeling exception.—In the case of cannabis transferred in bond from the person who produced such cannabis (hereinafter referred to as ‘transferor’) to another person for packaging or labeling of such cannabis, and returned to the transferor for removal, subparagraph (A)(i) shall not apply, but only if the transferor retains title during the entire period between such production and removal.

“(4) Single taxpayer.—Pursuant to rules issued by the Secretary, 2 or more entities (whether or not under common control) that produce any can-
nabis product under a license, franchise, or other ar-
angement shall be treated as a single taxpayer for
purposes of the application of this subsection.

“(5) TIME FOR DETERMINING AND ALLOWING
CREDIT.—The credit allowable by paragraph (1)—

“(A) shall be determined at the same time
the tax is determined under subsection (a) of
this section, and

“(B) shall be allowable at the time the tax
described in such subsection is payable as if the
credit allowable by this subsection constituted a
reduction in the rate of such tax.

“(6) CONTROLLED GROUPS.—Rules similar to
rules of section 5051(a)(5) shall apply for purposes
of this subsection.

“SEC. 5902. DEFINITIONS.

“(a) DEFINITIONS RELATED TO CANNABIS PROD-
UCTS.—For purposes of this subtitle—

“(1) CANNABIS; CANNABIS PRODUCT.—The
terms ‘cannabis’ and ‘cannabis product’ have the
same meaning given such terms under subsection
(tt) of section 201 of the Federal Food, Drug, and

“(2) CANNABIS FLOWER.—The term ‘cannabis
flower’ means any cannabis plant product consisting
of the flower of the plant Cannabis sativa L., or any other part of such plant with significant concentrations of tetrahydrocannabinol as designated by the Secretary.

“(3) CANNABIS PLANT PRODUCT.—The term ‘cannabis plant product’ means any part of the plant Cannabis sativa L. which—

“(A) is a cannabis product, and

“(B) does not contain any cannabis that has been processed, extracted, or concentrated (other than harvesting, drying, curing, or trimming).

“(4) THC PRODUCT.—The term ‘THC product’ means any cannabis product other than a cannabis plant product.

“(5) TETRAHYDROCannabinol.—The term ‘tetrahydrocannabinol’ means total tetrahydrocannabinol equivalent (as defined in paragraph (1)(B) of section 297A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1639o)).

“(b) DEFINITIONS RELATED TO CANNABIS ENTERPRISES.—For purposes of this chapter—

“(1) CANNABIS ENTERPRISE.—The term ‘cannabis enterprise’ means a producer, importer, or export warehouse proprietor.
“(2) PRODUCER.—

“(A) IN GENERAL.—The term ‘producer’ means any person who plants, cultivates, harvests, grows, manufactures, produces, compounds, converts, processes, prepares, or packages any cannabis product.

“(B) PERSONAL USE EXCEPTION.—Subject to such regulations as the Secretary shall prescribe, the term ‘producer’ shall not include any individual otherwise described in subparagraph (A) if the only cannabis product described in such subparagraph with respect to such individual is for personal or family use and not for sale, provided—

“(i) such individual is solely involved in the planting, cultivation, and growing of such cannabis,

“(ii) the planting, cultivation, and growing of such cannabis occurs only in such individual’s dwelling house, or in any shed, yard, or inclosure connected with such individual’s dwelling house, and

“(iii) the quantity of cannabis products planted, cultivated, and grown by such individual does not exceed the personal use
production limitations determined by the Secretary as are necessary to protect the public and protect the revenue.

“(3) IMPORTER.—The term ‘importer’ means any person who—

“(A) is in the United States and to whom non-tax-paid cannabis products, produced in a foreign country or a possession of the United States, are shipped or consigned,

“(B) removes cannabis products for sale or consumption in the United States from a customs bonded warehouse, or

“(C) smuggles or otherwise unlawfully brings any cannabis product into the United States.

“(4) EXPORT WAREHOUSE PROPRIETOR.—

“(A) IN GENERAL.—The term ‘export warehouse proprietor’ means any person who operates an export warehouse.

“(B) EXPORT WAREHOUSE.—The term ‘export warehouse’ means a bonded internal revenue warehouse for the storage of cannabis products, upon which the internal revenue tax has not been paid—
“(i) for subsequent shipment to a foreign country or a possession of the United States, or

“(ii) for consumption beyond the jurisdiction of the internal revenue laws of the United States.

“(5) CANNABIS PRODUCTION FACILITY.—The term ‘cannabis production facility’ means an establishment which is qualified under subchapter B to perform any operation for which such qualification is required under such subchapter.

“(c) Other Definitions.—For purposes of this chapter—

“(1) PRODUCE.—The term ‘produce’ includes any activity described in subsection (b)(2)(A).

“(2) REMOVAL; REMOVE.—The terms ‘removal’ or ‘remove’ means—

“(A) the transfer of cannabis products from the premises of a producer (or the transfer of such products from the bonded premises of a producer to a non-bonded premises of such producer),

“(B) release of such products from customs custody, or
“(C) smuggling or other unlawful importation of such products into the United States.

“(3) REMOVAL PRICE.—The term ‘removal price’ means—

“(A) except as otherwise provided in this paragraph, the price for which the cannabis product is sold in the sale which occurs in connection with the removal of such product,

“(B) in the case of any such sale which is described in section 5903(c), the price determined under such section, and

“(C) if there is no sale which occurs in connection with such removal, the price which would be determined under section 5903(c) if such product were sold at a price which cannot be determined.

“SEC. 5903. LIABILITY AND METHOD OF PAYMENT.

“(a) LIABILITY FOR TAX.—

“(1) ORIGINAL LIABILITY.—The producer or importer of any cannabis product shall be liable for the taxes imposed thereon by section 5901.

“(2) TRANSFER OF LIABILITY.—

“(A) IN GENERAL.—When cannabis products are transferred, without payment of tax,
pursuant to subsection (b) or (c) of section 5904—

“(i) except as provided in clause (ii),

the transferee shall become liable for the tax upon receipt by the transferee of such articles, and the transferor shall thereupon be relieved of their liability for such tax, and

“(ii) in the case of cannabis products which are released in bond from customs custody for transfer to the bonded premises of a producer, the transferee shall become liable for the tax on such articles upon release from customs custody, and the importer shall thereupon be relieved of their liability for such tax.

“(B) RETURNED TO BOND.—All provisions of this chapter applicable to cannabis products in bond shall be applicable to such articles returned to bond upon withdrawal from the market or returned to bond after previous removal for a tax-exempt purpose.

“(b) METHOD OF PAYMENT OF TAX.—

“(1) IN GENERAL.—
“(A) TAXES PAID ON BASIS OF RETURN.—The taxes imposed by section 5901 shall be paid on the basis of return. The Secretary shall, by regulations, prescribe the period or the event to be covered by such return and the information to be furnished on such return.

“(B) APPLICATION TO TRANSFEES.—In the case of any transfer to which subsection (a)(2)(A) applies, the tax under section 5901 on the transferee shall (if not otherwise relieved by reason of a subsequent transfer to which such subsection applies) be imposed with respect to the removal of the cannabis product from the bonded premises of the transferee.

“(C) POSTPONEMENT.—Any postponement under this subsection of the payment of taxes determined at the time of removal shall be conditioned upon the filing of such additional bonds, and upon compliance with such requirements, as the Secretary may prescribe for the protection of the revenue. The Secretary may, by regulations, require payment of tax on the basis of a return prior to removal of the cannabis products where a person defaults in the postponed payment of tax on the basis of a re-
turn under this subsection or regulations pre-
scribed thereunder.

“(D) Administration and penalties.—
All administrative and penalty provisions of this
title, insofar as applicable, shall apply to any
tax imposed by section 5901.

“(2) Time for payment of taxes.—

“(A) In general.—Except as otherwise
provided in this paragraph, in the case of taxes
on cannabis products removed during any semi-
monthly period under bond for deferred pay-
ment of tax, the last day for payment of such
taxes shall be the 14th day after the last day
of such semimonthly period.

“(B) Imported articles.—In the case of
cannabis products which are imported into the
United States, the following provisions shall
apply:

“(i) In general.—The last day for
payment of tax shall be the 14th day after
the last day of the semimonthly period
during which the article is entered into the
customs territory of the United States.

“(ii) Special rule for entry of
warehousing.—Except as provided in
clause (iv), in the case of an entry for warehousing, the last day for payment of tax shall not be later than the 14th day after the last day of the semimonthly period during which the article is removed from the first such warehouse.

“(iii) FOREIGN TRADE ZONES.—Except as provided in clause (iv) and in regulations prescribed by the Secretary, articles brought into a foreign trade zone shall, notwithstanding any other provision of law, be treated for purposes of this subsection as if such zone were a single customs warehouse.

“(iv) EXCEPTION FOR ARTICLES DESTINED FOR EXPORT.—Clauses (ii) and (iii) shall not apply to any article which is shown to the satisfaction of the Secretary to be destined for export.

“(C) CANNABIS PRODUCTS BROUGHT INTO THE UNITED STATES FROM PUERTO RICO.—In the case of cannabis products which are brought into the United States from Puerto Rico and subject to tax under section 7652, the last day for payment of tax shall be the 14th
day after the last day of the semimonthly pe-

riod during which the article is brought into the

United States.

“(D) SPECIAL RULE WHERE DUE DATE

falls on saturday, sunday, or holiday.—

Notwithstanding section 7503, if, but for this

subparagraph, the due date under this para-

graph would fall on a Saturday, Sunday, or a

legal holiday (as defined in section 7503), such
due date shall be the immediately preceding day

which is not a Saturday, Sunday, or such a hol-

iday.

“(E) SPECIAL RULE FOR UNLAWFULLY

produced cannabis products.—In the case

of any cannabis products produced in the

United States at any place other than the

premises of a producer that has filed the bond

and obtained the authorization required under

this chapter, tax shall be due and payable im-

mediately upon production.

“(3) TAXPAYERS LIABLE FOR TAXES OF NOT

MORE THAN $100,000.—

“(A) IN GENERAL.—

“(i) MORE THAN $10,000 AND NOT

MORE THAN $100,000 IN TAXES.—Except as
provided in clause (ii), in the case of any
taxpayer who reasonably expects to be lia-
ble for not more than $100,000 in taxes
imposed with respect to cannabis products
under sections 5901 and 7652 for the cal-
endar year and who was liable for not
more than $100,000 in such taxes in the
preceding calendar year, the last day for
the payment of tax on withdrawals, remov-
als, and entries (and articles brought into
the United States from Puerto Rico) shall
be the 14th day after the last day of the
calendar quarter during which the action
giving rise to the imposition of such tax oc-
curs.

“(ii) NOT MORE THAN $10,000 IN TAXES.—In the case of any taxpayer who
reasonably expects to be liable for not
more than $10,000 in taxes imposed with
respect to cannabis products under sec-
tions 5901 and 7652 for the calendar year
and who was liable for not more than
$10,000 in such taxes in the preceding cal-
endar year, the last day for the payment of
tax on withdrawals, removals, and entries
(and articles brought into the United States from Puerto Rico) shall be the 14th day after the last day of the calendar year.

“(B) No application after limit exceeded.—

“(i) Exceeds $100,000 limit.—Subparagraph (A)(i) shall not apply to any taxpayer for any portion of the calendar year following the first date on which the aggregate amount of tax due under sections 5901 and 7652 from such taxpayer during such calendar year exceeds $100,000, and any tax under such sections which has not been paid on such date shall be due on the 14th day after the last day of the semimonthly period in which such date occurs.

“(ii) Exceeds $10,000 limit.—Subparagraph (A)(ii) shall not apply to any taxpayer for any portion of the calendar year following the first date on which the aggregate amount of tax due under sections 5901 and 7652 from such taxpayer during such calendar year exceeds $10,000, and any tax under such sections
which has not been paid on such date shall be due on the 14th day after the last day of the calendar quarter in which such date occurs.

“(C) Calendar Quarter.—For purposes of this paragraph, the term ‘calendar quarter’ has the same meaning given such term under section 5061(d)(4)(C).

“(4) Payment by Electronic Fund Transfer.—Any person who in any 12-month period, ending December 31, was liable for a gross amount equal to or exceeding $5,000,000 in taxes imposed on cannabis products by section 5901 (or section 7652) shall pay such taxes during the succeeding calendar year by electronic fund transfer (as defined in section 5061(e)(2)) to a Federal Reserve Bank. Rules similar to the rules of section 5061(e)(3) shall apply to the $5,000,000 amount specified in the preceding sentence.

“(c) Determination of Price.—

“(1) Constructive Sale Price.—

“(A) In General.—If an article is sold directly to consumers, sold on consignment, or sold (otherwise than through an arm’s length transaction) at less than the fair market price,
or if the price for which the article sold cannot be determined, the tax under section 5901(a) shall be—

“(i) computed on the price for which such articles are sold, in the ordinary course of trade, by producers thereof, as determined by the Secretary, and

“(ii) imposed on either person involved in such sale, as determined by the Secretary.

“(B) Arm’s length.—

“(i) In general.—For purposes of this section, a sale is considered to be made under circumstances otherwise than at arm’s length if—

“(I) the parties are members of the same controlled group, whether or not such control is actually exercised to influence the sale price,

“(II) the parties are members of a family, as defined in section 267(c)(4), or

“(III) the sale is made pursuant to special arrangements between a producer and a purchaser.
“(ii) Controlled groups.—

“(I) In general.—The term ‘controlled group’ has the meaning given to such term by subsection (a) of section 1563, except that ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each place it appears in such subsection.

“(II) Controlled groups which include nonincorporated persons.—Under regulations prescribed by the Secretary, principles similar to the principles of subclause (I) shall apply to a group of persons under common control where one or more of such persons is not a corporation.

“(2) Containers, packing, and transportation charges.—In determining, for the purposes of this chapter, the price for which an article is sold, there shall be included any charge for coverings and containers of whatever nature, and any charge incident to placing the article in condition packed ready for shipment, but there shall be excluded the amount of tax imposed by this chapter, whether or not stat-
ed as a separate charge. A transportation, delivery, insurance, installation, or other charge (not required by the preceding sentence to be included) shall be excluded from the price only if the amount thereof is established to the satisfaction of the Secretary in accordance with regulations.

“(3) Determination of applicable equivalent amounts.—Paragraphs (1) and (2) shall apply for purposes of section 5901(c) only to the extent that the Secretary determines appropriate.

“(d) Partial Payments and Installment Accounts.—

“(1) Partial Payments.—In the case of—

“(A) a contract for the sale of an article wherein it is provided that the price shall be paid by installments and title to the article sold does not pass until a future date notwithstanding partial payment by installments,

“(B) a conditional sale, or

“(C) a chattel mortgage arrangement wherein it is provided that the sales price shall be paid in installments,

there shall be paid upon each payment with respect to the article a percentage of such payment equal to
the rate of tax in effect on the date such payment is due.

“(2) Sales of installment accounts.—If installment accounts, with respect to payments on which tax is being computed as provided in paragraph (1), are sold or otherwise disposed of, then paragraph (1) shall not apply with respect to any subsequent payments on such accounts (other than subsequent payments on returned accounts with respect to which credit or refund is allowable by reason of section 6416(b)(5)), but instead—

“(A) there shall be paid an amount equal to the difference between—

“(i) the tax previously paid on the payments on such installment accounts, and

“(ii) the total tax which would be payable if such installment accounts had not been sold or otherwise disposed of (computed as provided in paragraph (1)), except that

“(B) if any such sale is pursuant to the order of, or subject to the approval of, a court of competent jurisdiction in a bankruptcy or insolvency proceeding, the amount computed
under subparagraph (A) shall not exceed the sum of the amounts computed by multiplying—

“(i) the proportionate share of the amount for which such accounts are sold which is allocable to each unpaid installment payment, by

“(ii) the rate of tax under this chapter in effect on the date such unpaid installment payment is or was due.

The sum of the amounts payable under this subsection in respect of the sale of any article shall not exceed the total tax.

“SEC. 5904. EXEMPTION FROM TAX; TRANSFERS IN BOND.

“(a) EXEMPTION FROM TAX.—Cannabis products on which the internal revenue tax has not been paid or determined may, subject to such regulations as the Secretary shall prescribe, be withdrawn from the bonded premises of any producer in approved containers free of tax and not for resale for use—

“(1) exclusively in scientific research by a laboratory,

“(2) by a proprietor of a cannabis production facility in research, development, or testing (other than consumer testing or other market analysis) of processes, systems, materials, or equipment, relating
to cannabis or cannabis operations, under such limit-
tations and conditions as to quantities, use, and ac-
countability as the Secretary may by regulations re-
quire for the protection of the revenue,

“(3) in any drug containing cannabis which is
in compliance with Federal and State law, or

“(4) by the United States or any governmental
agency thereof, any State, any political subdivision
of a State, or the District of Columbia, for non-
consumption purposes.

“(b) CANNABIS PRODUCTS TRANSFERRED OR RE-
MOVED IN BOND FROM DOMESTIC FACTORIES AND EX-
PORT WAREHOUSES.—

“(1) IN GENERAL.—Subject to such regulations
and under such bonds as the Secretary shall pre-
scribe, a producer or export warehouse proprietor
may transfer cannabis products, without payment of
tax, to the bonded premises of another producer or
export warehouse proprietor, or remove such articles,
without payment of tax, for shipment to a foreign
country or a possession of the United States, or for
consumption beyond the jurisdiction of the internal
revenue laws of the United States.

“(2) LABELING.—Cannabis products may not
be transferred or removed under this subsection un-
less such products bear such marks, labels, or notices as the Secretary shall by regulations prescribe.

“(c) Cannabis Products Released in Bond From Customs Custody.—Cannabis products imported or brought into the United States may be released from customs custody, without payment of tax, for delivery to a producer or export warehouse proprietor if such articles are not put up in packages, in accordance with such regulations and under such bond as the Secretary shall prescribe.

“(d) Cannabis Products Exported and Returned.—Cannabis products classifiable under item 9801.00.10 of the Harmonized Tariff Schedule of the United States (relating to duty on certain articles previously exported and returned), as in effect on the date of the enactment of the Cannabis Administration and Opportunity Act, may be released from customs custody, without payment of that part of the duty attributable to the internal revenue tax for delivery to the original producer of such cannabis products or to the export warehouse proprietor authorized by such producer to receive such products, in accordance with such regulations and under such bond as the Secretary shall prescribe. Upon such release such products shall be subject to this chapter
as if they had not been exported or otherwise removed from internal revenue bond.

"SEC. 5905. CREDIT, REFUND, OR DRAWBACK OF TAX.

“(a) CREDIT OR REFUND.—

“(1) IN GENERAL.—Credit or refund of any tax imposed by this chapter or section 7652 shall be allowed or made (without interest) to the cannabis enterprise on proof satisfactory to the Secretary that the claimant cannabis enterprise has paid the tax on—

“(A) cannabis products withdrawn from the market by the claimant, or

“(B) such products lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, while in the possession or ownership of the claimant.

“(2) CANNABIS PRODUCTS LOST OR DESTROYED IN BOND.—

“(A) EXTENT OF LOSS ALLOWANCE.—No tax shall be collected in respect of cannabis products lost or destroyed while in bond, except that such tax shall be collected—

“(i) in the case of loss by theft, unless the Secretary finds that the theft occurred without connivance, collusion, fraud, or
negligence on the part of the proprietor of
the cannabis production facility, owner,
consignor, consignee, bailee, or carrier, or
their employees or agents,

“(ii) in the case of voluntary destruc-
tion, unless such destruction is carried out
as provided in paragraph (3), and

“(iii) in the case of an unexplained
shortage of cannabis products.

“(B) PROOF OF LOSS.—In any case in
which cannabis products are lost or destroyed,
whether by theft or otherwise, the Secretary
may require the proprietor of a cannabis pro-
duction facility or other person liable for the
tax to file a claim for relief from the tax and
submit proof as to the cause of such loss. In
every case where it appears that the loss was by
theft, the burden shall be upon the proprietor
of the cannabis production facility or other per-
son responsible for the tax under section 5901
to establish to the satisfaction of the Secretary
that such loss did not occur as the result of
connivance, collusion, fraud, or negligence on
the part of the proprietor of the cannabis pro-
duction facility, owner, consignor, consignee, bailee, or carrier, or their employees or agents.

“(C) REFUND OF TAX.—In any case where the tax would not be collectible by virtue of subparagraph (A), but such tax has been paid, the Secretary shall refund such tax.

“(D) LIMITATIONS.—Except as provided in subparagraph (E), no tax shall be abated, remitted, credited, or refunded under this paragraph where the loss occurred after the tax was determined. The abatement, remission, credit, or refund of taxes provided for by subparagraphs (A) and (C) in the case of loss of cannabis products by theft shall only be allowed to the extent that the claimant is not indemnified against or recompensed in respect of the tax for such loss.

“(E) APPLICABILITY.—The provisions of this paragraph shall extend to and apply in respect of cannabis products lost after the tax was determined and before completion of the physical removal of the cannabis products from the bonded premises.

“(3) VOLUNTARY DESTRUCTION.—The proprietor of a cannabis production facility or other per-
sons liable for the tax imposed by this chapter or by
section 7652 with respect to any cannabis product in
bond may voluntarily destroy such products, but
only if such destruction is under such supervision
and under such regulations as the Secretary may
prescribe.

“(4) LIMITATION.—Any claim for credit or re-
fund of tax under this subsection shall be filed with-
in 6 months after the date of the withdrawal from
the market, loss, or destruction of the products to
which the claim relates, and shall be in such form
and contain such information as the Secretary shall
by regulations prescribe.

“(b) DRAWBACK OF TAX.—There shall be an allow-
ance of drawback of tax paid on cannabis products, when
shipped from the United States, in accordance with such
regulations and upon the filing of such bond as the Sec-
retary shall prescribe.

“SEC. 5906. DRAWBACK ON TAX FOR CERTAIN USES.

“(a) ELIGIBILITY.—Any person using cannabis on
which the tax under this subchapter has been determined,
in the manufacture or production of—

“(1) a drug containing cannabis which is in
compliance with Federal and State law, or
“(2) extracts with a tetrahydrocannabinol concentration of not more than the allowable tetrahydrocannabinol equivalent amount as described in paragraph (1)(C) of section 297A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1639o), shall be eligible for drawback at the time when such cannabis is used in the manufacture of such products as provided for in this section.

“(b) Registration and Regulation.—Every person claiming drawback under this section shall—

“(1) register annually with the Secretary,

“(2) keep such books and records as may be necessary to establish the fact that cannabis received by such person and on which the tax has been determined were used in a manner described in subsection (a), and

“(3) be subject to such rules and regulations in relation thereto as the Secretary shall prescribe to secure the Treasury against frauds.

“(c) Investigation of Claims.—For the purpose of ascertaining the correctness of any claim filed under this section, the Secretary is authorized to—

“(1) examine any books, papers, records, or memoranda bearing upon the matters required to be alleged in the claim,
“(2) require the attendance of the person filing the claim or of any officer or employee of such person or the attendance of any other person having knowledge in the premises, and

“(3) take testimony with reference to any matter covered by the claim and to administer oaths to any person giving such testimony.

“(d) DRAWBACK.—

“(1) RATE OF DRAWBACK.—In the case of cannabis on which the tax under this subchapter has been paid or determined, and which has been used as provided in this section, a drawback shall be allowed at a rate equal to 90 percent of the amount of such tax which has been paid or determined.

“(2) CLAIMS.—

“(A) IN GENERAL.—Subject to subparagraph (B), such drawback shall be due and payable quarterly upon filing of a proper claim with the Secretary.

“(B) EXCEPTION.—

“(i) MONTHLY BASIS.—In the case of any person entitled to such drawback who elects in writing to file monthly claims therefor, such drawback shall be due and
payable monthly upon filing of a proper claim with the Secretary.

“(ii) Bond requirement.—The Secretary may require persons electing to file monthly drawback claims under this subparagraph to file with the Secretary a bond or other security in such amount and with such conditions as the Secretary shall by regulations prescribe.

“(iii) Revocation.—Any election under clause (i) may be revoked on filing of notice thereof with the Secretary.

“(C) Additional requirement.—No claim under this section shall be allowed unless filed with the Secretary within the 6 months next succeeding the quarter in which the cannabis covered by the claim was used as provided in this section.

“(3) Allowance of drawback even where certain requirements not met.—

“(A) In general.—No claim for drawback under this subsection shall be denied in the case of a failure to comply with any requirement imposed under this section or any rule or regulation issued thereunder upon the claim-
ant’s establishing to the satisfaction of the Secretary that cannabis on which the tax has been paid or determined was in fact used in a manner described in subsection (a).

“(B) PENALTY.—

“(i) IN GENERAL.—In the case of a failure to comply with any requirement imposed under this section or any rule or regulation issued thereunder, the claimant shall be liable for a penalty of $1,000 for each failure to comply unless it is shown that the failure to comply was due to reasonable cause.

“(ii) PENALTY MAY NOT EXCEED AMOUNT OF CLAIM.—The aggregate amount of the penalties imposed under clause (i) for failures described in subparagraph (A) in respect of any claim shall not exceed the amount of such claim (determined without regard to clause (i)).

“(C) PENALTY TREATED AS TAX.—The penalty imposed by subparagraph (B) shall be assessed, collected, and paid in the same manner as taxes, as provided in section 6665(a).
“Subchapter B—Authorization and Bond Requirements

Sec. 5911. Establishment and bond.
Sec. 5912. Application.
Sec. 5913. Cannabis production facility.

“SEC. 5911. ESTABLISHMENT AND BOND.

“(a) Prohibition on production outside of bonded cannabis production facility.—

“(1) In general.—Except as authorized by the Secretary or on the bonded premises of a cannabis production facility duly authorized to produce cannabis products according to law, no cannabis product may be planted, cultivated, harvested, grown, manufactured, produced, compounded, converted, processed, prepared, or packaged in any building or on any premises.

“(2) Authorized producers only.—Any person establishing a cannabis production facility shall, prior to commencing operations—

“(A) make application to the Secretary pursuant to section 5912,

“(B) file the bond required under subsection (b), and

“(C) receive authorization from the Secretary to operate.

“(3) Personal use exception.—This subsection shall not apply with respect the activities of
an individual who is not treated as a producer by
reason of section 5902(b)(2)(B).

“(b) BOND.—

“(1) WHEN REQUIRED.—Every person, before
commencing business as a producer or an export
warehouse proprietor, shall file such bond, condi-
tioned upon compliance with this chapter and regu-
lations issued thereunder, in such form, amount, and
manner as the Secretary shall by regulation pre-
scribe. A new or additional bond may be required
whenever the Secretary considers such action nec-

tary for the protection of the revenue.

“(2) APPROVAL OR DISAPPROVAL.—No person
shall engage in such business until he receives notice
of approval of such bond. A bond may be dis-
approved, upon notice to the principal on the bond,
if the Secretary determines that the bond is not ade-
quate to protect the revenue.

“(3) CANCELLATION.—Any bond filed here-
under may be canceled, upon notice to the principal
on the bond, whenever the Secretary determines that
the bond no longer adequately protects the revenue.

“(4) REMOVAL OF BOND REQUIREMENTS.—

“(A) IN GENERAL.—During any period to
which subparagraph (A) of section 5903(b)(3)
applies to a taxpayer (determined after application of subparagraph (B) thereof), such taxpayer shall not be required to furnish any bond with respect to engaging in any business as a producer or an export warehouse proprietor.

“(B) Satisfaction of bond requirements.—Any taxpayer for any period described in subparagraph (A) shall be treated as if sufficient bond has been furnished for purposes of engaging in such business for purposes of any requirements relating to bonds under this chapter.

“SEC. 5912. APPLICATION.

“The application required pursuant to this section shall disclose, as regulations issued by the Secretary shall provide, such information as may be necessary to enable the Secretary to determine the location and extent of the premises, the type of operations to be conducted on such premises, and whether the operations will be in conformity with law and regulations, consistent with the requirements under section 302 of the Federal Alcohol Administration Act.

“SEC. 5913. CANNABIS PRODUCTION FACILITY.

“A cannabis production facility, including noncontiguous portions thereof, shall be so located, constructed, and
equipped, as to afford adequate protection to the revenue,
as regulations prescribed by the Secretary may provide.

“Subchapter C—Operations

Sec. 5921. Inventories, reports, and records.
Sec. 5922. Packaging and labeling.
Sec. 5923. Purchase, receipt, possession, or sale of cannabis products after removal.
Sec. 5924. Restrictions relating to marks, labels, notices, and packages.
Sec. 5925. Restriction on importation of previously exported cannabis products.

SEC. 5921. INVENTORIES, REPORTS, AND RECORDS.

“Every cannabis enterprise shall—

“(1) make a true and accurate inventory at the time of commencing business, at the time of concluding business, and at such other times, in such manner and form, and to include such items, as the Secretary shall by regulation prescribe, with such inventories to be subject to verification by any internal revenue officer,

“(2) make reports containing such information, in such form, at such times, and for such periods as the Secretary shall by regulation prescribe, and

“(3) keep such records in such manner as the Secretary shall by regulation prescribe, with such records to be available for inspection by any internal revenue officer during business hours.
“SEC. 5922. PACKAGING AND LABELING.

“(a) PACKAGES.—All cannabis products shall, before removal, be put up in such packages as the Secretary shall by regulation prescribe.

“(b) MARKS, LABELS, AND NOTICES.—Every package of cannabis products shall, before removal, bear the marks, labels, and notices if any, that the Secretary by regulation prescribes.

“(c) LOTTERY FEATURES.—No certificate, coupon, or other device purporting to be or to represent a ticket, chance, share, or an interest in, or dependent on, the event of a lottery shall be contained in, attached to, or stamped, marked, written, or printed on any package of cannabis products.

“(d) INDECENT OR IMMORAL MATERIAL PROHIBITED.—No indecent or immoral picture, print, or representation shall be contained in, attached to, or stamped, marked, written, or printed on any package of cannabis products.

“(e) EXCEPTIONS.—Subject to regulations prescribed by the Secretary, cannabis products may be exempted from subsections (a) and (b) if such products are—

“(1) for experimental purposes, or

“(2) transferred to the bonded premises of another producer or export warehouse proprietor or re-
leased in bond from customs custody for delivery to a producer.

"SEC. 5923. PURCHASE, RECEIPT, POSSESSION, OR SALE OF CANNABIS PRODUCTS AFTER REMOVAL.

"(a) RESTRICTION.—No person shall—

“(1) with intent to defraud the United States, purchase, receive, possess, offer for sale, or sell or otherwise dispose of, after removal, any cannabis products—

“(A) upon which the tax has not been paid or determined in the manner and at the time prescribed by this chapter or regulations thereunder, or

“(B) which, after removal without payment of tax pursuant to section 5904(a), have been diverted from the applicable purpose or use specified in that section,

“(2) with intent to defraud the United States, purchase, receive, possess, offer for sale, or sell or otherwise dispose of, after removal, any cannabis products which are not put up in packages as required under section 5922 or which are put up in packages not bearing the marks, labels, and notices, as required under such section, or
“(3) otherwise than with intent to defraud the United States, purchase, receive, possess, offer for sale, or sell or otherwise dispose of, after removal, any cannabis products which are not put up in packages as required under section 5922 or which are put up in packages not bearing the marks, labels, and notices, as required under such section.

“(b) Exception.—Paragraph (3) of subsection (a) shall not prevent the sale or delivery of cannabis products directly to consumers from proper packages, nor apply to such articles when so sold or delivered.

“(c) Liability to Tax.—Any person who possesses cannabis products in violation of paragraph (1) or (2) of subsection (a) shall be liable for a tax equal to the tax on such articles.

“SEC. 5924. RESTRICTIONS RELATING TO MARKS, LABELS, NOTICES, AND PACKAGES.

“No person shall, with intent to defraud the United States, destroy, obliterate, or detach any mark, label, or notice prescribed or authorized, by this chapter or regulations thereunder, to appear on, or be affixed to, any package of cannabis products before such package is emptied.

“SEC. 5925. RESTRICTION ON IMPORTATION OF PREVIOUSLY EXPORTED CANNABIS PRODUCTS.

“(a) Export Labeled Cannabis Products.—
“(1) IN GENERAL.—Cannabis products produced in the United States and labeled for exportation under this chapter—

“(A) may be transferred to or removed from the premises of a producer or an export warehouse proprietor only if such articles are being transferred or removed without tax in accordance with section 5904,

“(B) may be imported or brought into the United States, after their exportation, only if such articles either are eligible to be released from customs custody with the partial duty exemption provided in section 5904(d) or are returned to the original producer of such article as provided in section 5904(c), and

“(C) may not be sold or held for sale for domestic consumption in the United States unless such articles are removed from their export packaging and repackaged by the original producer into new packaging that does not contain an export label.

“(2) ALTERATIONS BY PERSONS OTHER THAN ORIGINAL PRODUCER.—This section shall apply to articles labeled for export even if the packaging or the appearance of such packaging to the consumer
of such articles has been modified or altered by a person other than the original producer so as to remove or conceal or attempt to remove or conceal (including by the placement of a sticker over) any export label.

“(3) EXPORTS INCLUDE SHIPMENTS TO PUERTO RICO.—For purposes of this section, section 5904(d), section 5931, and such other provisions as the Secretary may specify by regulations, references to exportation shall be treated as including a reference to shipment to the Commonwealth of Puerto Rico.

“(b) EXPORT LABEL.—For purposes of this section, an article is labeled for export or contains an export label if it bears the mark, label, or notice required under section 5904(b).

“Subchapter D—Penalties

Sec. 5931. Civil penalties.
Sec. 5932. Criminal penalties.

“SEC. 5931. CIVIL PENALTIES.

“(a) OMITTING THINGS REQUIRED OR DOING THINGS FORBIDDEN.—Whoever willfully omits, neglects, or refuses to comply with any duty imposed upon him by this chapter, or to do, or cause to be done, any of the things required by this chapter, or does anything prohibited by this chapter, shall in addition to any other penalty
provided in this title, be liable to a penalty of $10,000, to be recovered, with costs of suit, in a civil action, except where a penalty under subsection (b) or (c) or under section 6651 or 6653 or part II of subchapter A of chapter 68 may be collected from such person by assessment.

“(b) Failure To Pay Tax.—Whoever fails to pay any tax imposed by this chapter at the time prescribed by law or regulations, shall, in addition to any other penalty provided in this title, be liable to a penalty of 10 percent of the tax due but unpaid.

“(c) Sale of Cannabis or Cannabis Products for Export.—

“(1) Every person who sells, relands, or receives within the jurisdiction of the United States any cannabis products which have been labeled or shipped for exportation under this chapter,

“(2) every person who sells or receives such relanded cannabis products, and

“(3) every person who aids or abets in such selling, relanding, or receiving,

shall, in addition to the tax and any other penalty provided in this title, be liable for a penalty equal to the greater of $10,000 or 10 times the amount of the tax imposed by this chapter. All cannabis products relanded within the jurisdiction of the United States shall be forfeited to the
169

1 United States and destroyed. All vessels, vehicles, and air-
2 craft used in such relanding or in removing such cannabis
3 products from the place where relanded, shall be forfeited
4 to the United States.
5
6 “(d) Applicability of Section 6665.—The pen-
7 alties imposed by subsections (b) and (c) shall be assessed,
8 collected, and paid in the same manner as taxes, as pro-
9 vided in section 6665(a).
10
11 “(e) Cross References.—For penalty for failure to
12 make deposits or for overstatement of deposits, see section
13 6656.
14
15 “Sec. 5932. Criminal Penalties.
16
17 “(a) Fraudulent Offenses.—Whoever, with in-
18 tent to defraud the United States—
19
20 “(1) engages in business as a cannabis enter-
21 prise without filing the application and obtaining the
22 authorization where required by this chapter or reg-
23 ulations thereunder,
24
25 “(2) fails to keep or make any record, return,
26 report, or inventory, or keeps or makes any false or
27 fraudulent record, return, report, or inventory, re-
28 quired by this chapter or regulations thereunder,
29
30 “(3) refuses to pay any tax imposed by this
31 chapter, or attempts in any manner to evade or de-
32 feat the tax or the payment thereof,
“(4) sells or otherwise transfers, contrary to this chapter or regulations thereunder, any cannabis products subject to tax under this chapter, or

“(5) purchases, receives, or possesses, with intent to redistribute or resell, any cannabis product—

“(A) upon which the tax has not been paid or determined in the manner and at the time prescribed by this chapter or regulations thereunder, or

“(B) which, without payment of tax pursuant to section 5904, have been diverted from the applicable purpose or use specified in that section,

shall, for each such offense, be fined not more than $10,000, or imprisoned not more than 5 years, or both.

“(b) LIABILITY TO TAX.—Any person who possesses cannabis products in violation of subsection (a) shall be liable for a tax equal to the tax on such articles.”.

(b) ESTABLISHMENT OF TRUST FUND.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 9512. OPPORTUNITY TRUST FUND.

“(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the ‘Opportunity Trust Fund’ (referred
to in this section as the ‘Trust Fund’), consisting of such amounts as may be appropriated or credited to such fund as provided in this section or section 9602(b).

“(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Trust Fund amounts equivalent to the net revenues received in the Treasury from the taxes imposed under subchapter A of chapter 56.

“(c) TRANSFERS TO GENERAL FUND.—The Secretary shall pay from time to time from the Trust Fund into the general fund of the Treasury amounts equivalent to the amounts appropriated under the Cannabis Administration and Opportunity Act.”.

(e) STUDY.—Not later than 2 years after the date of the enactment of this Act, and every 5 years thereafter, the Secretary of the Treasury, or the Secretary’s delegate, shall—

(1) conduct a study concerning the characteristics of the cannabis industry, including—

(A) the number of persons operating cannabis enterprises at each level of such industry,

(B) the volume of sales,

(C) the amount of tax collected each year,

(D) the areas of evasion, and
(E) the impact of disparate State taxes on diversion and smuggling of cannabis products, and
(2) submit to Congress recommendations to improve the regulation of the industry and the administration of the related tax.
(d) Annual Reports Regarding Determination of Applicable Rates.—Not later than 6 months before the beginning of each calendar year to which section 5901(a)(2) of the Internal Revenue Code of 1986 (as added by this section) applies, the Secretary of the Treasury, or the Secretary’s delegate, shall make publicly available a detailed description of the methodology which the Secretary anticipates using to determine the applicable rate per ounce and the applicable rate per gram which will apply for such calendar year under section 5901(c)(2) of such Code.
(e) Drawback on Tax for Distilled Spirits Used in Production of Cannabis or Hemp.—Section 5111 of the Internal Revenue Code of 1986 is amended by striking “or perfume” and inserting “perfume, cannabis products, or hemp-derived products”.
(f) Interest of Internal Revenue Officer or Employee in Production of Cannabis Products.—
Section 7214(b) of the Internal Revenue Code of 1986 is amended—

(1) in the heading, by striking “TOBACCO OR LIQUOR PRODUCTION” and inserting “PRODUCTION OF TOBACCO, LIQUOR, OR CANNABIS PRODUCTS”, and

(2) by striking “or cigarettes” and inserting “cigarettes, or cannabis products (as defined in section 5902(a)(1))”.

(g) PAPERS, TUBES, AND WRAPPERS.—Section 5702 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (e)—

(A) by inserting “or a cannabis product” after “tobacco”, and

(B) by inserting “(including for use as a cannabis cigarette wrapper)” after “cigarette wrapper”,

(2) in subsection (f), by inserting “(including for use in making cannabis cigarettes)” after “making cigarettes”, and

(3) in subsection (o), by inserting “(including for use in making cannabis cigarettes)” after “wrapper thereof”.

(h) CONFORMING AMENDMENTS.—
(1) Section 6103(o)(1)(A) of the Internal Revenue Code of 1986 is amended by striking “and firearms” and inserting “firearms, and cannabis products”.

(2) The heading of subsection (a) of section 7608 of such Code is amended by inserting “CANNABIS PRODUCTS,” after “TOBACCO,”.

(3) The table of chapters for subtitle E of such Code is amended by adding at the end the following new item:

“CHAPTER 56. CANNABIS PRODUCTS”.

(4) The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end the following new item:

“Sec. 9512. Opportunity Trust Fund.”.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to removals, and applications under section 5912 of the Internal Revenue Code of 1986 (as added by subsection (a)), after 180 days after the date of the enactment of this Act.

(2) OTHER AMENDMENTS.—The amendments made by subsections (b), (c), (d), (f), (g), and (h) shall take effect on the date of the enactment of this Act.
TITLE V—PUBLIC HEALTH, CANNABIS ADMINISTRATION, AND TRADE PRACTICES
Subtitle A—Public Health

SEC. 501. FDA REGULATION OF CANNABIS.
(a) In General.—The Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) is amended by adding at the end the following:

“CHAPTER XI—CANNABIS PRODUCTS

“SEC. 1101. CENTER FOR CANNABIS PRODUCTS.

“Not later than 90 days after the date of enactment of the ‘Cannabis Administration and Opportunity Act’, the Secretary shall establish within the Food and Drug Administration the Center for Cannabis Products, which shall report to the Commissioner of Food and Drugs in the same manner as the other agency centers within the Food and Drug Administration. The Center shall be responsible for the implementation of this chapter and related matters assigned by the Commissioner.

“SEC. 1102. ADULTERATED CANNABIS PRODUCTS.

“(a) In General.—A cannabis product shall be deemed to be adulterated if—

“(1) it consists in whole or in part of any filthy, putrid, or decomposed substance, or is otherwise contaminated by any added poisonous or added dele-
terious substance that may render the product injurious to health;

“(2) it has been manufactured, prepared, processed, packed, or held in insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health;

“(3) it bears or contains any poisonous or deleterious substance that may render it injurious to health;

“(4) its container is composed, in whole or in part, of any poisonous or deleterious substance that may render the contents injurious to health;

“(5) it bears or contains an unsafe color additive that is unsafe within the meaning of section 721(a); or

“(6) the methods used in, or the facilities or controls used for, its manufacture, preparing, processing, packing, or storage are not in conformity with applicable requirements under section 1105(c).

“(b) EXCEPTIONS TO CERTAIN FOOD REQUIREMENTS FOR FOODS CONTAINING CANNABIS.—Provided that an article that is a food (as defined in section 201(f)) and that is also a cannabis product (as defined in section 201(tt)(2)) otherwise complies with all applicable require-
ments for food under chapter IV and all applicable re-
quirements for cannabis products under this chapter, such
article shall not be deemed—

“(1) adulterated under section 402(a)(2)(C)(i)
solely on account of constituents made or derived
from cannabis; or

“(2) a food to which has been added a drug for
which substantial clinical investigations have been
instituted and for which the existence of such inves-
tigations has been made public for purposes of sec-
tion 301(ll) solely on account of constituents made
or derived from cannabis.

“SEC. 1103. MISBRANDED CANNABIS PRODUCTS.

“A cannabis product shall be deemed to be mis-
branded—

“(1) if its labeling or advertising is false or mis-
leading in any particular;

“(2) unless it bears a label containing—

“(A) a prominent statement that the prod-
uct contains cannabis;

“(B) the name and place of business of its
manufacturer, packer, or distributor;

“(C) an accurate statement of the quantity
of its contents in terms of weight, measure, or
numerical count;
“(D) a statement of its form as specified in regulations promulgated pursuant to section 1105(a);

“(E) the amount of tetrahydrocannabinol in the product, and if the product is packaged and labeled in such a way as to suggest more than one serving, dose, or the equivalent, the amount of tetrahydrocannabinol in such serving, dose, or the equivalent;

“(F) adequate directions for use, if deemed necessary for the protection of the public health in regulations promulgated pursuant to section 1105(a);

“(G) adequate directions against use by children, if deemed necessary for the protection of the public health in regulations promulgated pursuant to section 1105(a); and

“(H) such other information as the Secretary determines, in regulations promulgated pursuant to section 1105(a), to be necessary for the protection of the public health;

“(3) if its label or labeling bears a statement describing the role of a cannabis constituent intended to affect the structure or any function of the body of humans or other animals, unless—
“(A) there is substantiation that such statement is truthful and not misleading; and

“(B) the statement contains, prominently displayed and in boldface type, the following: ‘This statement has not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.’;

“(4) if any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use;

“(5) if it purports to be, or is represented as, a cannabis product which is subject to a cannabis product standard established under section 1106 unless such cannabis product is in all respects in conformity with such standard;

“(6) if its sale, distribution, or label or labeling is not in conformity with applicable requirements under subsections (a) and (b) of section 1105;
“(7) if it was manufactured, prepared, propagated, compounded, or processed in an establishment not duly registered under section 1104 or if it was not included in a list required by section 1104; or

“(8) if it is intended for consumption or application by an individual under 21 years of age.

“SEC. 1104. ANNUAL REGISTRATION.

“(a) Registration by Owners and Operators.—On or before December 31 of each year, every person who owns or operates any establishment in any State engaged in the manufacture, preparation, compounding, or processing of a cannabis product shall register with the Secretary the name, places of business, and all such establishments of that person.

“(b) Registration by New Owners and Operators.—Every person upon first engaging in the manufacture, preparation, compounding, or processing of a cannabis product in any establishment owned or operated in any State by that person shall immediately register with the Secretary that person’s name, place of business, and such establishment.

“(c) Registration of Added Establishments.—Every person required to register under subsection (a) or (b) shall immediately register with the Secretary any additional establishment which that person owns or operates
in the United States and in which that person begins the
manufacture, preparation, compounding, or processing of
a cannabis product.

“(d) Uniform Product Identification System.—The Secretary may by regulation prescribe a uni-
form system for the identification of cannabis products
and may require that persons who are required to list such
cannabis products under subsection (g) shall list such can-
nabis products in accordance with such system.

“(e) Public Access to Registration Information.—The Secretary shall make available for inspection
any registration filed under this section.

“(f) Registration by Foreign Establishments.—Any establishment within a foreign country en-
gaged in the manufacture, preparation, compounding, or
processing of a cannabis product that is imported or of-
fered for import into the United States, shall register
under subsection (a), (b), or (c), as applicable, and shall
include with the registration the name of the United
States agent for the establishment.

“(g) Registration Information.—

“(1) Product List.—

“(A) In General.—Every person who reg-
isters with the Secretary under subsection (a),
(b), or (c) shall, at the time of registration under such subsection, file with the Secretary—

“(i) a list of all cannabis products which are being manufactured, prepared, compounded, or processed by that person for commercial distribution and which have not been included in any list of cannabis products filed by that person with the Secretary under this paragraph or paragraph (2) before such time of registration; and

“(ii) such other information as the Secretary, in consultation with the Secretary of the Treasury and the Attorney General, may require, by regulation, to carry out the purposes of the Cannabis Administration and Opportunity Act, including the amendments made by such Act, including chapter 56 of subtitle E of the Internal Revenue Code of 1986.

“(B) FORM AND MANNER OF LIST.—The list under subparagraph (A)(i) shall be prepared in such form and manner as the Secretary may prescribe and shall be accompanied by a copy of all consumer information and other labeling for such cannabis product, a represent-
ative sampling of advertisements for such cannabis product, and, upon request by the Secretary, a copy of all advertisements for a particular cannabis product.

“(2) Report of any change in product list.—Each person who registers with the Secretary under this section shall report to the Secretary as follows:

“(A) Prior to the introduction into commercial distribution of a cannabis product that has not been included in any list previously filed by the registrant, a list containing such cannabis product.

“(B) A notice of discontinuance of the manufacture, preparation, compounding, or processing for commercial distribution of a cannabis product included in a list filed under subparagraph (A) or paragraph (1), and the date of such discontinuance.

“(C) A notice of resumption of the manufacture, preparation, compounding, or processing for commercial distribution of the cannabis product with respect to which a notice of discontinuance was reported under subparagraph (B).
“(D) A list of each cannabis product included in a notice filed under subparagraph (C) prior to the resumption of the introduction into commercial distribution of such cannabis product.

“(3) Publication.—The Secretary shall publish on the website of the Food and Drug Administration every registration and list filed pursuant to this section and the information accompanying every list not later than 10 days after the applicable date of filing.

“(4) Department of the Treasury Access.—The Secretary shall establish a format and procedure for appropriate Department of the Treasury officials to access the information received by the Secretary under this subsection, in a prompt and secure manner.

“SEC. 1105. GENERAL PROVISIONS FOR CONTROL OF CANNABIS PRODUCTS.

“(a) Restrictions on Sale and Distribution.—

“(1) Remote sales.—Not later than 2 years after the date of enactment of the Cannabis Administration and Opportunity Act, the Secretary shall propose, and not later than 3 years after such date of enactment the Secretary shall finalize, regulations
regarding the promotion, sale, and distribution of cannabis products that occur through means other than a direct, face-to-face exchange between a retailer and a consumer, in order to prevent the sale and distribution of cannabis products to individuals who have not attained the age of 21, including requirements for age verification.

“(2) Preventing use of cannabis products in minors.—The Secretary shall, by regulation, impose such restrictions on advertising, promotion, and marketing of cannabis products as the Secretary determines necessary and appropriate to prevent the consumption or application of cannabis products by individuals under 21 years of age. Such regulations shall prohibit the advertising, promotion, and marketing of cannabis products, whether directly or indirectly, to individuals under 21 years of age, and any other action that has the primary purpose of initiating or increasing the use of cannabis products in such individuals.

“(3) Other regulations.—In addition to the restrictions under paragraphs (1) and (2), the Secretary may, by regulation, impose other restrictions on the sale and distribution of cannabis products, including restrictions on the access to, and the adver-
tising and promotion of, the cannabis product, if the Secretary determines that such regulation would be appropriate for the protection of the public health.

“(4) GOOD FAITH CONSULTATION WITH INDIAN TRIBES.—In issuing regulations under paragraphs (1), (2), and (3), the Secretary shall conduct good faith, meaningful, and timely consultations with Indian Tribes (as defined in section 3 of the Cannabis Administration and Opportunity Act).

“(b) LABELING STATEMENTS.—The label and labeling of a cannabis product shall bear such appropriate statements of the restrictions required by a regulation under subsection (a) as the Secretary may in such regulation prescribe.

“(c) GOOD MANUFACTURING PRACTICE REQUIREMENTS.—The Secretary shall issue regulations requiring that the methods used in, and the facilities and controls used for, the manufacture, preparing, processing, packing, and holding of a cannabis product conform to current good manufacturing practice, including testing for pesticide chemical residues regardless of whether a tolerance for such chemical residues has been established.
"SEC. 1106. CANNABIS PRODUCT STANDARDS.

“(a) In General.—The Secretary shall, by regulation, adopt cannabis product standards that are appropriate for protection of the public health.

“(b) Content of Standards.—A cannabis product standard established under this section shall include provisions—

“(1) on the ingredients of the cannabis product, including, where appropriate—

“(A) cannabinoid yields of the product, which may consider or address, as appropriate, different types of cannabinoids and the interaction between the constituents of the product;

“(B) provisions respecting the construction, components, ingredients, additives, constituents, including smoke constituents, and properties of the cannabis product, which may consider, as appropriate, the interaction between constituents and components of the cannabis product; and

“(C) provisions for the reduction or elimination of harmful constituents or components of the product, including smoke constituents;

“(2) for the testing of the cannabis product;
“(3) requiring that the results of testing the cannabis product show that the cannabis product is in conformity with applicable standards;

“(4) for the measurement of the characteristics of the cannabis product, where appropriate;

“(5) requiring that the sale and distribution of the cannabis product be restricted but only to the extent that the sale and distribution of a cannabis product may be restricted under a regulation under this Act;

“(6) where appropriate, requiring the use and prescribing the form and content of labeling for the proper use of the cannabis product and any potential adverse effects of the product; and

“(7) requiring cannabis products containing foreign-grown cannabis to meet the same standards applicable to cannabis products containing domestically grown cannabis.

“(c) Periodic Reevaluation of Standards.—The Secretary shall provide for periodic evaluation of cannabis product standards established under this section to determine whether such standards should be changed to reflect new medical, scientific, or other technological data.
"SEC. 1107. RECALL AUTHORITY."

“(a) IN GENERAL.—If the Secretary finds that there is a reasonable probability that a cannabis product would cause serious, adverse health consequences or death, the Secretary shall issue an order requiring the appropriate person (including the manufacturers, importers, distributors, or retailers of the cannabis product) to immediately cease distribution of such cannabis product. The order shall provide the person subject to the order with an opportunity to appear and introduce testimony, to be held not later than 20 days after the date of the issuance of the order, on the actions required by the order and on whether the order should be amended to require a recall of such cannabis product. If, after providing an opportunity to appear and introduce testimony, the Secretary determines that inadequate grounds exist to support the actions required by the order, the Secretary shall vacate the order.

“(b) AMENDMENT OF ORDER TO REQUIRE RECALL.—

“(1) IN GENERAL.—If, after providing an opportunity to appear and introduce testimony under subsection (a), the Secretary determines that the order should be amended to include a recall of the cannabis product with respect to which the order was issued, the Secretary shall, except as provided in
paragraph (2), amend the order to require a recall. The Secretary shall specify a timetable in which the cannabis product recall will occur and shall require periodic reports to the Secretary describing the progress of the recall.

“(2) NOTICE.—An amended order under paragraph (1)—

“(A) shall not include recall of a cannabis product from individuals; and

“(B) shall provide for notice to persons subject to the risks associated with the use of such cannabis product.

In providing the notice required by subparagraph (B), the Secretary may use the assistance of retailers and other persons who distributed such cannabis product. If a significant number of such persons cannot be identified, the Secretary shall notify such persons pursuant to section 705(b).

“SEC. 1108. RECORDS AND REPORTS ON CANNABIS PRODUCTS.

“(a) IN GENERAL.—Every person who is a cannabis product manufacturer or importer of a cannabis product shall establish and maintain such records, make such reports, and provide such information, as the Secretary may by regulation reasonably require to assure that such can-
nabis product is not adulterated or misbranded and to otherwise protect public health.

“(b) Reports of Removals and Corrections.—

“(1) In general.—Except as provided in paragraph (2), the Secretary shall by regulation require a cannabis product manufacturer or importer of a cannabis product to report promptly to the Secretary any corrective action taken or removal from the market of a cannabis product undertaken by such manufacturer or importer if the removal or correction was undertaken—

“(A) to reduce a risk to health posed by the cannabis product; or

“(B) to remedy a violation of this chapter caused by the cannabis product which may present a risk to health.

A cannabis product manufacturer or importer of a cannabis product who undertakes a corrective action or removal from the market of a cannabis product that is not required to be reported under this subsection shall keep a record of such correction or removal.

“(2) Exception.—No report of the corrective action or removal of a cannabis product may be required under paragraph (1) if a report of the correc-
tive action or removal is required and has been sub-
mitted under subsection (a).

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SEC. 1109. PROHIBITION ON FLAVORED ELECTRONIC CANNABIS PRODUCT DELIVERY SYSTEM.

“(a) In General.—Any electronic cannabis product delivery system shall not contain an artificial or natural flavor (other than cannabis) that is a characterizing flavor, including menthol, mint, mango, strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, or coffee.

“(b) Definition.—For purposes of this section, the term ‘electronic cannabis product delivery system’ means an electronic device that delivers a cannabis product via an aerosolized solution to the user inhaling from the de-
vice, and any component, liquid, part, or accessory of such a device, whether or not sold separately.

SEC. 1110. PRESERVATION OF STATE, TRIBAL, AND LOCAL AUTHORITY.

“(a) In General.—Nothing in this chapter, or rules promulgated under this chapter, shall be construed to limit the authority of a Federal agency (including the Armed Forces), a State or political subdivision of a State, or the government of an Indian Tribe (as defined in sec-
tion 3 of the Cannabis Administration and Opportunity Act) to enact, adopt, promulgate, and enforce any law,
rule, regulation, or other measure with respect to cannabis
products that is in addition to, or more stringent than,
requirements established under this chapter, including a
law, rule, regulation, or other measure relating to or pro-
hibiting the manufacture, sale, distribution, possession,
exposure to, access to, advertising and promotion of, or
use of cannabis products by individuals of any age, infor-
mation reporting to the State or Indian Tribe (as so de-
fined), or measures relating to fire safety or environmental
standards for cannabis products. No provision of this
chapter shall limit or otherwise affect any State, Tribal,
or local taxation of cannabis products.

“(b) RULE OF CONSTRUCTION REGARDING PRODUCT
LIABILITY.—No provision of this chapter relating to a
cannabis product shall be construed to modify or otherwise
affect any action or the liability of any person under the
product liability law of any State or Indian Tribe (as so
defined).”.

SEC. 502. AMENDMENTS TO THE FEDERAL FOOD, DRUG,
AND COSMETIC ACT.

(a) DEFINITIONS.—Section 201 of the Federal Food,
Drug, and Cosmetic Act (21 U.S.C. 321) is amended—
(1) in paragraph (g)(1)(C), by striking “(other
than food)” and inserting “(other than food or can-
nabis products)”;

(2) in paragraph (ff)(1), by striking “(other than tobacco)” and inserting “(other than a tobacco product or cannabis product)”;

(3) in paragraph (rr)(4), by inserting “cannabis product,” after “medical device”; and

(4) by adding at the end the following:

“(tt)(1)(A) The term ‘cannabis’ means—

“(i) all parts of the plant Cannabis sativa L., whether growing or not;

“(ii) the seeds thereof;

“(iii) the resin extracted from any part of such plant; and

“(iv) every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin.

“(B) The term ‘cannabis’ does not include—

“(i) hemp, as defined in section 297A of the Agricultural Marketing Act of 1946; or

“(ii) the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination.
“(2)(A) The term ‘cannabis product’ means any
product made or derived from cannabis that is intended
for consumption or applied to the body of man or other
animals, including any component of such product.

“(B) A ‘cannabis product’ does not mean an article
that is a drug within the meaning of paragraph (g)(1).

“(3) With respect to cannabis or a cannabis product,
the term ‘manufacture’ includes the planting, cultivation,
growing, and harvesting of cannabis.”.

(b) PROHIBITED ACTS.—Section 301 of the Federal
Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amend-
ed—

(1) by inserting “cannabis product,” after “to-
bacco product,” each place it appears in paragraphs
(g) and (h);

(2) in paragraph (j), by striking “or 920(b)”
and inserting “920(b), or 1104”;

(3) in paragraph (p)—

(A) by striking “510 or 905” and inserting
“510, 905, or 1104”;

(B) by striking “or 905(j)” and inserting
“905(j), or 1104(g)”; and

(C) by striking “or 905(i)(3)” and insert-
ing “, 905(i)(3), or 1104(g)(2)”;}
(4) in paragraph (q)(2) by inserting “, cannabis product,” after “device”;

(5) in paragraph (r), by inserting “cannabis product,” after “device,” each place it appears; and

(6) by adding at the end the following:

“(jjj)(1) The sale or distribution of a cannabis product to any person younger than 21 years of age.

“(2) The sale or distribution, in any retail single transaction, of more than 10 ounces of any cannabis product.

“(3) The sale or distribution of an article that is a cannabis product and that contains alcohol, caffeine, or nicotine.

“(4) The failure of a manufacturer or distributor to notify the Attorney General and the Secretary of the Treasury of its knowledge of cannabis products used in illicit trade.

“(kkk)(1) The introduction or delivery for introduction into commerce of any cannabis product that is adulterated or misbranded.

“(2) The adulteration or misbranding of any cannabis product in commerce.

“(3) The receipt in commerce of any cannabis product that is adulterated or misbranded, and the delivery or proffered delivery thereof for pay or otherwise.
“(4) The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to a cannabis product, if such act is done while such article is held for sale (whether or not the first sale) after shipment in commerce and results in such article being adulterated or misbranded.

“(III) The failure to comply with the requirements of section 524D.”.

(c) SEIZURE AUTHORITIES.—Section 304 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting “cannabis product,” after “drug,”; and

(B) in paragraph (2), by inserting “or cannabis product” after “tobacco product”;

(2) in subsection (d)(1), by inserting “cannabis product,” after “tobacco product,”; and

(3) in subsection (g), by striking “or tobacco product” each place it appears in paragraphs (1) and (2)(A) and inserting “, tobacco product, or cannabis product”.
(d) FACTORY INSPECTION.—Section 704 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374) is amended—

(1) in subsection (a)—

(A) by inserting “cannabis products,” after “tobacco products,” each place it appears;

(B) by striking “or tobacco products” each place it appears and inserting “tobacco products, or cannabis products”; and

(C) by striking “and tobacco products” and inserting “tobacco products, and cannabis products”; and

(2) in subsection (b)(1), by inserting “cannabis product,” after “tobacco product,”.

(e) PUBLICITY.—Section 705(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 375(b)) is amended by inserting “cannabis products,” after “tobacco products,”.

(f) PRESUMPTION.—Section 709 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379a) is amended by inserting “cannabis product,” after “tobacco product,”.

(g) IMPORTS AND EXPORTS.—Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended—
(1) in subsection (a)—

(A) by inserting “cannabis products,” after “tobacco products,”;

(B) by striking “or tobacco products” each place it appears and inserting “, tobacco products, or cannabis products”; and

(C) by striking “or section 905(h)” and inserting “, 905(h), or 1104”; and

(2) in subsection (e), by striking “tobacco product or” and inserting “tobacco product, cannabis product, or”.

SEC. 503. EXPEDITED REVIEW.

Subchapter A of chapter V of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 351 et seq.) is amended by adding at the end the following:

“SEC. 524C. EXPEDITED REVIEW OF CERTAIN DRUGS CONTAINING CANNABIS.

“(a) Establishment of Program.—The Secretary shall establish a program to expedite the development and review of applications for drugs containing cannabis that are manufactured by a small business concerned owned and controlled by socially and economically disadvantaged individuals or Native entities that operate in the cannabis industry.
“(b) Request for Designation.—A sponsor of a drug containing cannabis that is manufactured by a small business concern owned and controlled by socially and economically disadvantaged individuals or Native entities that operate in the cannabis industry may request that the Secretary designate such drug for expedited review under this section. A request for designation may be made concurrently with, or at any time after, the submission of an application for the investigation of the drug under section 505(i) or section 351(a)(3) of the Public Health Service Act.

“(c) Actions.—The actions to expedite the development and review of an application designated for expedited review under this section may include, as appropriate—

“(1) holding meetings with the sponsor and the review team throughout the development of the drug;

“(2) providing timely advice to, and interactive communication with, the sponsor regarding the development of the drug to ensure that the development program to gather the nonclinical and clinical data necessary for approval is as efficient as practicable; and

“(3) priority review, as described in the Manual of Policies and Procedures of the Food and Drug
Administration and goals identified in the letters described in section 101(b) of the Prescription Drug User Fee Amendments of 2017.

“(d) EXPEDITED REVIEW GUIDANCE.—Not later than 1 year after the date of enactment of the Cannabis Administration and Opportunity Act, and after good faith, meaningful, and timely consultation with Native entities, the Secretary shall issue guidance on the implementation of this section. Such guidance shall—

“(1) set forth the process by which a person may seek a designation under subsection (b); and

“(2) identify the criteria the Secretary will use in evaluating a request for designation under this section.

“(e) DEFINITIONS.—In this section:

“(1) DRUG CONTAINING CANNABIS.—The term ‘drug containing cannabis’ means any drug that contains any article made or derived from cannabis.

“(2) NATIVE ENTITY.—The term ‘Native entity’ means—

“(A) an Indian Tribe (as defined in section 3 of the Cannabis Administration and Opportunity Act);
“(B) a Native Corporation (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)); and

“(C) a Native Hawaiian-serving entity.

“(3) NATIVE HAWAIIAN-SERVING ENTITY.—The term ‘Native Hawaiian-serving entity’ means—

“(A) a Native Hawaiian organization (as defined in section 6207 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7517));

“(B) the Department of Hawaiian Home Lands; and

“(C) the Office of Hawaiian Affairs.

“(4) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SOCIA LLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—The term ‘small business concern owned and controlled by socially and economically disadvantaged individuals’ has the meaning given the term in section 8(d)(3)(C) of the Small Business Act.

“SEC. 524D. SECURITY REQUIREMENTS FOR DRUGS CONTAINING CANNABIS.

“(a) IN GENERAL.—The sponsor of any application under section 505 for a drug containing cannabis shall provide effective controls and procedures to guard against
theft and diversion of such drug, which may include, if
the Secretary determines necessary, a risk evaluation and
mitigation strategy under section 505–1.

“(b) STANDARDS.—The Secretary shall prescribe, by
regulation, standards for controls and procedures for
drugs described in subsection (a).

“(c) DEFINITION.—For purposes of this section, the
term ‘drug containing cannabis’ means any drug that con-
tains any article made or derived from cannabis.”.

SEC. 504. REGULATION OF CANNABIDIOL.

(a) CBD AS A DIETARY SUPPLEMENT.—Section
201(ff)(3)(B) of the Federal Food, Drug, and Cosmetic
Act (21 U.S.C. 321(ff)(3)(B)) is amended, in the matter
preceeding subclause (i), by inserting “, except in the case
of cannabidiol derived from hemp (as defined in section
297A of the Agricultural Marketing Act of 1946)” after
“include”.

(b) ADULTERATION.—Section 402 of the Federal
Food, Drug, and Cosmetic Act (21 U.S.C. 342) is amend-
ed by adding at the end the following new subsection:

“(j)(1) If it is a dietary supplement that contains
cannabidiol, unless—

“(A) such dietary supplement contains no more
than an amount of cannabidiol per recommended
daily serving that the Secretary may establish (and
revise or repeal as appropriate), subject to paragraph (2), through an interim final rule, notwithstanding any requirement for notice and comment that may otherwise apply under section 553 of title 5, United States Code;

“(B) such dietary supplement is the subject of a notification submitted to the Secretary in accordance with section 413(a)(2); and

“(C) the labeling and packaging of such dietary supplement conforms with any requirements that the Secretary establishes regarding labeling or packaging of dietary supplements containing cannabidiol (which may be promulgated (and revised or repealed as appropriate) by the Secretary through an interim final rule, notwithstanding any requirement for notice and comment that may otherwise apply under section 553 of title 5, United States Code).

“(2)(A) The amount of cannabidiol established in accordance with paragraph (1)(A)—

“(i) shall be a threshold above which the Secretary may not accept new dietary ingredient notifications; and

“(ii) shall not be interpreted as a determination that lower amounts of cannabidiol are safe.
“(B) The Secretary shall establish such a threshold based on such factors as the Secretary determines to be appropriate, which may include a consideration of whether the review of new dietary ingredient notifications for products containing higher levels of cannabidiol may be unduly burdensome.”.

(c) NEW DIETARY INGREDIENT.—Section 413(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350b(a)(1)) is amended by inserting “contains no cannabidiol and” before “contains only dietary ingredients”.

(d) NEW PROHIBITED ACT.—Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331), as amended by section 502(b)(6), is further amended by adding at the end the following:

“(mmm) The introduction or delivery for introduction into interstate commerce of any product labeled as a dietary supplement that fails to meet the definition of a dietary supplement under section 201(ff).”.

(e) NEW IMPORT EXCLUSION.—Section 801(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(a)) is amended in paragraph (3) of the third sentence by striking “section 301(ll)” and inserting “paragraph (ll) or (iii) of section 301”.

(f) NEW SEIZURE AUTHORITIES.—Section 304 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334) is amended—

(1) in subsection (a)(1), in the first sentence, by inserting “or any article which may not be introduced or delivered for introduction into interstate commerce under section 301(iii),” before “shall be liable”; and

(2) in subsection (d)(1), in the first sentence, by inserting “, or any product otherwise introduced or delivered for introduction into interstate commerce in violation of section 301(iii) and condemned under this section,” after “under this section”.

(g) CBD AS A FOOD ADDITIVE.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services (referred to in this subsection as the “Secretary”) shall issue draft guidance describing criteria by which the Secretary intends to evaluate the safety of cannabidiol as a food additive in any food additive petition under section 409 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348). The Secretary shall publish final guidance within 180 days of the close of the public comment period on such draft guidance.
(2) ADVISORY COMMITTEE.—Before issuing draft guidance under paragraph (1), the Secretary shall convene and consult an advisory committee, which shall include experts qualified in the subject matter.

SEC. 505. TRANSITION PERIODS.

(a) Transition Period for Cannabis Products.—With respect to a cannabis product that was marketed in the United States within 30 days of the date of enactment of this Act pursuant to a State law permitting the marketing of such product, such product shall not be considered to be in violation of chapter XI of the Federal Food, Drug, and Cosmetic Act (as added by section 501) or section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331), as amended by this title, as applicable, during the 18-month period following the date of enactment of this Act.

(b) Submission of Applications for Previously Marketed Drugs Containing Cannabis.—

(1) Transition Period for Drugs Containing Cannabis.—With respect to a drug containing cannabis that was being marketed in the United States within 30 days after the date of enactment of this Act pursuant to a State law permitting cannabis for medical use, such drug shall not be
considered to be in violation of chapter V or section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331; 351 et seq.) during the 3-year period following the date of enactment of this Act.

(2) Submission of Applications.—

(A) In general.—As a condition for continuing to market a drug described in paragraph (1) during the 3-year period specified in such paragraph, during the 18-month period beginning on the effective date of this Act, the manufacturer shall submit a new drug application under section 505(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)) for such drug.

(B) Transition period.—Except as provided in subparagraph (C), with respect to a drug containing cannabis for which an application is submitted as described in subparagraph (A), the manufacturer of such product may continue to market such drug in the State described in paragraph (1) during the 3-year period beginning on the effective date of this Act.

(C) Exception.—If the Secretary of Health and Human Services issues an order refusing to approve an application under section
505(d) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(d)) for a drug that contains cannabis, such drug shall not be eligible for continued marketing under subparagraph (B).

(3) **END OF TRANSITION PERIOD.**—Beginning on the date that is 3 years after the date of enactment of this Act the Secretary may take enforcement action, as appropriate, for a drug described in paragraph (1) (including such a drug that is the subject of a pending application under section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355)) found to be in violation of chapter V or section 301 of the Federal Food, Drug, and Cosmetic Act.

(4) **RULE OF CONSTRUCTION.**—Nothing in this subsection shall be construed to prohibit the marketing of a cannabis product otherwise in compliance with relevant provisions of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

(e) **DEFINITION.**—For purposes of this section, the term “drug containing cannabis” means any drug that contains any article made or derived from cannabis.
SEC. 506. AMENDMENT TO THE POISON PREVENTION PACKAGING ACT.

Section 2(2)(B) of the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1471(2)(B)) is amended by striking “or cosmetic” and inserting “cosmetic, or cannabis product,”.

SEC. 507. FUNDING FOR FDA.

In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $425,000,000 for each of fiscal years 2025 through 2029 to carry out this title and the amendments made by this title.

Subtitle B—Federal Cannabis Administration

SEC. 511. FEDERAL CANNABIS ADMINISTRATION.

(a) In General.—The Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) is amended by adding at the end the following:

“TITLE III—CANNABIS

SEC. 301. UNLAWFUL BUSINESSES WITHOUT CANNABIS PERMIT.

“(a) Import.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary—

“(1) to engage in the business of importing cannabis into the United States; or
“(2) for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so imported.

“(b) MANUFACTURE AND SALE.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary—

“(1) to engage in the business of cultivating, producing, manufacturing, packaging, or warehousing cannabis; or

“(2) for any person so engaged to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so cultivated, produced, manufactured, packaged, or warehoused.

“(c) RESALE.—It shall be unlawful, except pursuant to a permit issued under this title by the Secretary—

“(1) to engage in the business of purchasing cannabis for resale at wholesale; or

“(2) for any person so engaged to receive or to sell, offer or deliver for sale, contract to sell, or ship, in interstate or foreign commerce, directly or indirectly or through an affiliate, cannabis so purchased.

“(d) TRANSITION RULE.—Subject to section 302(e), in the case of a person who has filed a complete and accu-
rate application for a permit under this section within 90
days of the date on which the Secretary has issued any
necessary guidance and forms with respect to such appli-
cations, this section shall not apply to such person during
the period prior to any determination under section 302
as to the entitlement of such person to such permit, pro-
vided that such person is in compliance with—

“(1) any applicable regulations under this title;
and

“(2) payment of any taxes imposed under chap-

“SEC. 302. PROCEDURE FOR ISSUANCE OF CANNABIS PER-
MITS.

“(a) Entitlement to Permit.—

“(1) In general.—The Secretary shall issue a
permit for operations requiring a permit under sec-
tion 301 unless the Secretary finds that—

“(A) the applicant (or if the applicant is a
corporation, any of its officers, directors, or
principal stockholders) has been convicted of a
disqualifying offense;

“(B) the operations proposed to be con-
ducted by the applicant are in violation of the
law of the State in which they are to be con-
ducted; or
“(C) the applicant is not likely to maintain such operations in conformity with Federal law.

“(2) Disqualifying offenses.—

“(A) In general.—For the purposes of paragraph (1), a disqualifying offense is any felony violation of any provision of Federal or State criminal law relating to cannabis or cannabis products (including the taxation thereof), if the conviction occurred after the date of enactment of the Cannabis Administration and Opportunity Act and not later than 3 years before the date of the application.

“(B) Waiver pursuant to finding of mitigation or rehabilitation and fitness for occupation.—Notwithstanding subparagraph (A), an offense shall not be considered a disqualifying offense if, pursuant to a submission of waiver request by the applicant to the Secretary, the Secretary finds (following a review and recommendation with respect to such waiver request by the Cannabis Products Advisory Committee established under section 602 of the Cannabis Administration and Opportunity Act) that the applicant has established sufficient mitigation or rehabilitation and fit-
ness to maintain cannabis operations in compliance with State and Federal law by providing—

“(i) evidence showing that—

“(I) the applicant has not been convicted of a crime that occurred after the date on which the offense with respect to which the waiver was requested occurred; and

“(II) the applicant has complied with all terms and conditions of probation or parole; or

“(ii) any other evidence of mitigation and present fitness, including—

“(I) the circumstances relating to the offense, including mitigating circumstances or social conditions surrounding the commission of the offense;

“(II) the age of the applicant when the applicant committed the offense;

“(III) the period of time that has elapsed since the applicant committed the offense;
“(IV) additional evidence of educational, training, or work activities that the applicant has participated in, including during any period of incarceration;

“(V) letters of reference by persons who have been in contact with the applicant since the applicant was released from any correctional institution; and

“(VI) completion of, or active participation in, rehabilitative drug or alcohol treatment.

“(b) Refusal of Permit; Hearing.—If upon examination of any application for a permit the Secretary has reason to believe that the applicant is not entitled to such permit, the Secretary shall so notify the applicant and, upon request by the applicant, afford the applicant due notice and opportunity for hearing on the application. If the Secretary, after affording such notice and opportunity for hearing, still finds that the applicant is not entitled to a permit hereunder, the Secretary shall by order deny the application stating the findings which are the basis for the order.

“(c) Form of Application.—
“(1) GENERALLY.—The Secretary shall—

“(A) prescribe the manner and form of applications for permits under this title (including the facts to be set forth in the application);

“(B) prescribe the form of such permits; and

“(C) specify in any permit the authority conferred by the permit and the conditions of that permit in accordance with this title.

“(2) SEPARATE TYPES OF APPLICATIONS AND PERMITS.—To the extent deemed necessary by the Secretary for the efficient administration of this title, the Secretary may require separate applications and permits with respect to the various classes of cannabis, and with respect to the various classes of persons entitled to permits under this title.

“(3) DISCLAIMER.—The issuance of a permit under this title does not deprive the United States of any remedy for a violation of law.

“(d) CONDITIONS.—

“(1) IN GENERAL.—A permit under this title shall be conditioned upon—

“(A) compliance with all other Federal laws relating to production and sale of cannabis, as well as compliance with all State laws
relating to said activities in the State in which
the permit applicant resides and does business;

“(B) payment to the Secretary of a reason-
able permit fee in an amount determined by the
Secretary to be sufficient over time to offset the
cost of implementing and overseeing all aspects
of cannabis regulation by the Federal Govern-
ment; and

“(C) compliance with—

“(i) the labor laws described in para-
graph (1) of subsection (j), as determined
in accordance with paragraph (2) of such
subsection; and

“(ii) the reporting requirements of
subsection (j)(3).

“(2) Waiver of permit fee.—Pursuant to
regulations prescribed by the Secretary, the permit
fee described in paragraph (1)(B) shall be waived in
the case of an individual who—

“(A) has had an income below 250 percent
of the Federal Poverty Level for not fewer than
5 of the 10 years preceding the date on which
the individual submits an application for a per-
mit under this title; and

“(B) is a first-time applicant.
“(e) Revocation, Suspension, and Annulment.—

“(1) Generally.—After due notice and opportunity for hearing, the Secretary may order a permit under this title—

“(A) revoked or suspended for such period as the Secretary deems appropriate, if the Secretary finds that the permittee has willfully violated any of the conditions of the permit, but for a first violation of the conditions the permit shall be subject to suspension only;

“(B) revoked if the Secretary finds that the permittee has not engaged in the operations authorized by the permit for a period of more than 2 years; or

“(C) annulled if the Secretary finds that the permit was procured through fraud, or misrepresentation, or concealment of material fact.

“(2) Order to State Basis for Order.—The order shall state the findings which are the basis for the order.

“(3) Joint Development of Enforcement Regulations.—The Secretary, in coordination with the Secretary of Labor and the National Labor Relations Board, shall, through regulations, establish
criteria for making determinations under paragraph (1).

“(4) JOINT ENFORCEMENT.—The Secretary of Labor and the National Labor Relations Board shall provide to the Secretary any assistance in carrying out this subsection as determined necessary by the Secretary.

“(5) CERTAIN VIOLATIONS UNDER THE NATIONAL LABOR RELATIONS ACT DEEMED WILFUL.—A violation of the condition under subsection (d)(1)(C) with respect to compliance with section 8 of the National Labor Relations Act (29 U.S.C. 158) as described in subsection (j)(1)(C) shall be deemed willful for purposes of paragraph (1)(A) if the National Labor Relations Board finds that the permittee has engaged in—

“(A) a discharge in violation of subsection (a) of such section 8;

“(B) a violation of such section 8 during the period in which a representation election under such Act is pending with respect to the employees of the permittee; or

“(C) a withdrawal of recognition of the recognized or certified collective-bargaining representative under such Act with respect to the
employees of the permittee that is in violation
of such section 8.

“(f) SERVICE OF ORDERS.—Each order of the Sec-
retary with respect to any denial of application, suspen-
sion, revocation, annulment, or other proceedings, shall be
served—

“(1) in person by any officer or employee of the
Secretary designated by him or any internal revenue
or customs officer authorized by the Secretary for
the purpose; or

“(2) by mailing the order by registered mail,
addressed to the applicant or respondent at his last
known address in the records of the Secretary.

“(g) DURATION.—

“(1) GENERAL RULE.—Except as otherwise
provided in this subsection, a permit issued under
this title shall continue in effect until suspended, re-
voked, or annulled as provided in this title, or volun-
tarily surrendered.

“(2) EFFECT OF TRANSFER.—If operations
under a permit issued under this title are trans-
ferred, the permit automatically terminates 30 days
after the date of that transfer, unless an application
is made by the transforee before the end of that pe-
riod for a permit under this title for those oper-
ations. If such an application is made, the outstanding permit shall continue in effect until such application is finally acted on by the Secretary.

“(3) **Definition of Transfer.**—For the purposes of this section, the term ‘transfer’ means any change of ownership or control, whether voluntary or by operation of law.

“(h) **Judicial Review.**—

“(1) **In General.**—A permittee or applicant for a permit under this title may obtain judicial review under chapter 7 of title 5, United States Code, of the denial of the application of that applicant or, in the case of a permittee, the denial of an application by the transferee of that permittee or the suspension, revocation, or annulment of a permit with respect to that permittee.

“(2) **Labor Law Violations.**—Notwithstanding paragraph (1), with respect to a violation of the condition described in subsection (d)(1)(C), the findings of fact and conclusions of law by the Secretary, or, pursuant to subsection (e)(4), the Secretary of Labor or the National Labor Relations Board, concerning the appropriateness of suspending, revoking, or annulling a permit as provided
in this title, if supported by substantial evidence on
the whole, shall be conclusive.

“(i) Statute of Limitations.—

“(1) In general.—No proceeding for the sus-
pension or revocation of a permit for violation of any
condition thereof relating to compliance with Federal
law shall be instituted by the Secretary more than
18 months after conviction of the violation of Fed-
eral law, or, if no conviction has been had, more
than 3 years after the violation occurred.

“(2) Compromise.—No permit shall be sus-
pended or revoked for a violation of any such condi-
tion thereof if the alleged violation of Federal law
has been compromised by any officer of the Govern-
ment authorized to compromise such violation.

“(j) Labor Laws.—

“(1) In general.—A labor law described in
this paragraph is any of the following:

“(A) Any provision under the Fair Labor
Standards Act of 1938 (29 U.S.C. 201 et seq.),
including any regulations promulgated under
such Act.

“(B) Any provision under the Occupational
Safety and Health Act of 1970 (29 U.S.C. 651
et seq.), including any standard promulgated
under section 6 of such Act (29 U.S.C. 655) or any other regulation promulgated under such Act, or any standard or regulation promulgated under an applicable State plan approved by the Secretary of Labor under section 18 of such Act (29 U.S.C. 667) that is identical or equivalent to a standard promulgated under such section 6.

“(C) Section 8 of the National Labor Relations Act (29 U.S.C. 158), including any regulations promulgated under such section.

“(2) FINDINGS OF LABOR LAW VIOLATIONS.—

“(A) IN GENERAL.—For purposes of subsection (d)(1)(C)(i), a permittee shall be considered in violation of a labor law described in paragraph (1) if any of the following findings are made with respect to the permittee:

“(i) FAIR LABOR STANDARDS ACT OF 1938.—With respect to a labor law described in paragraph (1)(A)—

“(I) a finding through an order or judgment of a Federal or State court that the permittee has violated any provision of the Fair Labor Standards Act of 1938, including any
regulation promulgated under such Act; or

“(II) a finding through a final order of the Secretary of Labor that the permittee has violated any provision of such Act, including such a regulation.

“(ii) OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970.—With respect to a labor law described in paragraph (1)(B)—

“(I) a finding through an order or judgment of a Federal or State court that the permittee has violated any provision of the Occupational Safety and Health Act of 1970, including any standard promulgated under section 6 of such Act or any other regulation promulgated under such Act, or any standard or regulation promulgated under an applicable State plan approved by the Secretary of Labor under section 18 of such Act (29 U.S.C. 667) that is identical or equivalent to a standard promulgated under such section 6; or
“(II) a finding through a final order issued by the Occupational Safety and Health Review Commission, or an equivalent final decision of any State agency or administrative body, that the permittee has committed a violation described in subclause (I).

“(iii) NATIONAL LABOR RELATIONS ACT.—With respect to a labor law described in paragraph (1)(C), a finding by the National Labor Relations Board that the permittee has violated section 8 of the National Labor Relations Act (29 U.S.C. 158), including a regulation promulgated under such section, by committing an unfair labor practice under such section.

“(B) EXCEPTION.—Notwithstanding subparagraph (A), a permittee shall not be considered in violation of a labor law described in paragraph (1) if a finding described in subparagraph (A) with respect to the permittee is through an order or judgment that has been reversed, vacated, or rescinded.
"(3) Reporting requirements.—Not later than 30 days after a finding described in paragraph (2) has been made with respect to a permittee, the permittee shall notify the Secretary of such finding in such form and manner as the Secretary, in coordination with the Secretary of Labor and the National Labor Relations Board, shall prescribe.

"SEC. 303. DELIVERY OF HEMP INADVERTENTLY EXCEEDING PERMISSIBLE CONCENTRATION OF DELTA-9 TETRAHYDROCANNABINOL.

“(a) In general.—The Secretary, in coordination with the Secretary of Agriculture and the Secretary of Health and Human Services, shall issue regulations to establish a process for the lawful delivery of hemp described in subsection (b) to a cannabis enterprise holding a permit issued under this title and authorized pursuant to section 5911 of the Internal Revenue Code of 1986.

“(b) Hemp described.—Hemp referred to in subsection (a) is Cannabis sativa L. inadvertently produced with a total tetrahydrocannabinol equivalent concentration of more than the allowable tetrahydrocannabinol equivalent amount as described in paragraph (1)(C) of section 297A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1639o)—
“(1) before September 30, 2021, by an institution of higher education or State department of agriculture that grows or cultivates industrial hemp under section 7606 of the Agricultural Act of 2014 (7 U.S.C. 5940); or

“(2) by a producer of hemp under subtitle G of the Agricultural Marketing Act of 1946 (7 U.S.C. 1639o et seq.).

“SEC. 304. UNFAIR COMPETITION AND UNLAWFUL PRACTICES.

“(a) IN GENERAL.—It shall be unlawful for any person engaged in the business of importing cannabis into the United States, or cultivating, producing, manufacturing, packaging, or warehousing cannabis, or purchasing cannabis for resale at wholesale, directly or indirectly or through an affiliate, to do any of the following:

“(1) EXCLUSIVE OUTLET.—To require, by agreement or otherwise, that any retailer engaged in the sale of cannabis products, purchase any such products from such person to the exclusion in whole or in part of cannabis sold or offered for sale by other persons in interstate or foreign commerce, if such requirement is made in the course of interstate or foreign commerce, or if such person engages in such practice to such an extent as substantially to
restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such requirement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such retailer in interstate or foreign commerce.

“(2) Tied house.—To induce through any of the following means, any retailer, engaged in the sale of cannabis products to purchase any such products from such person to the exclusion in whole or in part of cannabis sold or offered for sale by other persons in interstate or foreign commerce, if such inducement is made in the course of interstate or foreign commerce, or if such person engages in the practice of using such means, or any of them, to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such inducement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such retailer in interstate or foreign commerce:

“(A) Acquiring or holding (after the expiration of any existing license) any interest in
any license with respect to the premises of the retailer.

“(B) Acquiring any interest in real or personal property owned, occupied, or used by the retailer in the conduct of his business.

“(C) Furnishing, giving, renting, lending, or selling to the retailer, any equipment, fixtures, signs, supplies, money, services, or other thing of value, subject to such exceptions as the Secretary shall by regulation prescribe, having due regard for public health, the quantity and value of articles involved, established trade customs not contrary to the public interest and the purposes of this subsection.

“(D) Paying or crediting the retailer for any advertising, display, or distribution service.

“(E) Guaranteeing any loan or the repayment of any financial obligation of the retailer.

“(F) Extending to the retailer credit for a period in excess of the credit period usual and customary to the industry for the particular class of transactions, as ascertained by the Secretary of the Treasury and prescribed by regulations by him.
“(G) Requiring the retailer to take and dispose of a certain quota of any of such products.

“(3) Commercial bribery.—To induce through any of the following means, any trade buyer engaged in the sale of cannabis products, to purchase any such products from such person to the exclusion in whole or in part of cannabis products sold or offered for sale by other persons in interstate or foreign commerce, if such inducement is made in the course of interstate or foreign commerce, or if such person engages in the practice of using such means, or any of them, to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such inducement is to prevent, deter, hinder, or restrict other persons from selling or offering for sale any such products to such trade buyer in interstate or foreign commerce:

“(A) Commercial bribery.

“(B) Offering or giving any bonus, premium, or compensation to any officer, or employee, or representative of the trade buyer.

“(4) Consignment sales.—To sell, offer for sale, or contract to sell to any trade buyer engaged
in the sale of cannabis products, or for any such
trade buyer to purchase, offer to purchase, or con-
tract to purchase, any such products on consignment
or under conditional sale or with the privilege of re-
turn or on any basis otherwise than a bona fide sale,
or where any part of such transaction involves, di-
rectly or indirectly, the acquisition by such person
from the trade buyer or his agreement to acquire
from the trade buyer other cannabis products, if
such sale, purchase, offer, or contract is made in the
course of interstate or foreign commerce, or if such
person or trade buyer engages in such practice to
such an extent as substantially to restrain or prevent
transactions in interstate or foreign commerce in
any such products or if the direct effect of such sale,
purchase, offer, or contract is to prevent, deter,
hinder, or restrict other persons from selling or of-
fering for sale any such products to such trade
buyer in interstate or foreign commerce.

“(5) LABELING.—To sell or ship or deliver for
sale or shipment, or otherwise introduce in interstate
or foreign commerce, or to receive therein, or to re-
move from customs custody for consumption, any
cannabis product in packages, unless such products
are packaged, and labeled in conformity with such
regulations, to be prescribed by the Secretary, with
respect to packaging, marking, branding, and label-
ing and size of container—

“(A) as will prohibit deception of the con-
sumer with respect to such products or the
quantity thereof and as will prohibit, irrespec-
tive of falsity, such statements relating to man-
ufacturing processes, analyses, guarantees, and
scientific or irrelevant matters as the Secretary
finds to be likely to mislead the consumer;

“(B) as will provide the consumer with in-
formation described in section 1103 of the Fed-
eral Food, Drug, and Cosmetic Act;

“(C) as will require compliance with sec-
tion 112(b) of the Cannabis Administration and
Opportunity Act;

“(D) as will prohibit statements on the
label that are disparaging of a competitor’s
products or are false, misleading, obscene, or
indecent; and

“(E) as will prevent deception of the con-
sumer by use of a trade or brand name that is
the name of any living individual of public
prominence, or existing private or public organi-
zation, or is a name that is in simulation or is
an abbreviation thereof, and as will prevent the
use of a graphic, pictorial, or emblematic rep-
resentation of any such individual or organiza-
tion, if the use of such name or representation
is likely falsely to lead the consumer to believe
that the product has been indorsed, made, or
used by, or produced for, or under the super-
vision of, or in accordance with the specifica-
tions of, such individual or organization.

“(6) ADVERTISING.—To publish or disseminate
or cause to be published or disseminated by radio
broadcast, or in any newspaper, periodical or other
publication or by any sign or outdoor advertisement
or any other printed or graphic matter, any adver-
tisement of cannabis, if such advertisement is in, or
is calculated to induce sales in, interstate or foreign
commerce, or is disseminated by mail, unless such
advertisement is in conformity with such regulations,
to be prescribed by the Secretary, as will—

“(A) prevent deception of the consumer
with respect to the products advertised and as
will prohibit, irrespective of falsity, such state-
ments relating to manufacturing processes,
analyses, guaranties, and scientific or irrelevant
matters as the Secretary finds to be likely to mislead the consumer;

“(B) provide the consumer with adequate information as to the identity and quality of the products advertised, the characteristics thereof, and the person responsible for the advertisement;

“(C) prohibit statements that are disparaging of a competitor’s products or are false, misleading, obscene, or indecent; and

“(D) prevent statements inconsistent with any statement on the labeling of the products advertised.

“(b) REMOVAL OR DESTRUCTION OF LABEL.—It shall be unlawful for any person to alter, mutilate, destroy, obliterate, or remove any mark, brand, or label upon cannabis products held for sale in interstate or foreign commerce or after shipment therein, except as authorized by Federal law or except pursuant to regulations of the Secretary authorizing relabeling for purposes of compliance with the requirements of this subsection or of State law.

“(c) EXCEPTIONS.—

“(1) CONSIGNMENT SALES.—Paragraph (4) of subsection (a) shall not apply to transactions involving solely the bona fide return of merchandise for
ordinary and usual commercial reasons arising after
the merchandise has been sold.

“(2) LABELING.—Paragraph (5) of such sub-
section shall not apply to the use of the name of any
person engaged in business as a manufacturer of
cannabis products, nor to the use by any person of
a trade or brand name used by him or his prede-
cessor in interest prior to the date of enactment of
the Cannabis Administration and Opportunity Act.

“(3) ADVERTISING.—Paragraph (6) of such
subsection shall not apply to the publisher of any
newspaper, periodical, or other publication, or radio
broadcaster, unless such publisher or radio broad-
caster is engaged in the business of importing can-
nabis into the United States, or cultivating, pro-
ducing, manufacturing, packaging, or warehousing
cannabis, or purchasing cannabis for resale at whole-
sale, directly or indirectly or through an affiliate.

“(4) STATE LAW.—With respect to subsection
(a)(2), subparagraphs (A), (B), (C), (E), and (F) of
such subsection shall apply to transactions between
a retailer or trade buyer in any State and a pro-
ducer, importer, or wholesaler of cannabis products
outside such State only to the extent that the law
of such State imposes similar requirements with re-
spect to similar transactions between a retailer or trade buyer in such State and a producer, importer, or wholesaler of cannabis products in such State, as the case may be.

“(5) PROPRIETARY INTEREST.—Pursuant to regulations or other guidance promulgated by the Secretary, with respect to subparagraphs (A) and (B) of subsection (a)(2), rules similar to the rules of sections 6.27 and 6.33 of title 27, Code of Federal Regulations (as in effect on the date of enactment of this title), shall apply.

“SEC. 305. REMEDIES FOR VIOLATIONS.

“(a) CRIMINAL FINE.—

“(1) GENERALLY.—Whoever violates section 301 shall be fined not more than $1,000.

“(2) SETTLEMENT IN COMPROMISE.—The Secretary may decide not to refer a violation of such section to the Attorney General for prosecution but instead to collect a payment from the violator of no more than $500 for that violation.

“(b) CIVIL ACTION FOR RELIEF.—The Attorney General may, in a civil action, obtain appropriate relief to prevent and restrain a violation of this title.

“SEC. 306. DEFINITIONS.

“In this title—
“(1) the term ‘cannabis’ has the meaning given such term in section 3 of the Cannabis Administration and Opportunity Act;

“(2) the term ‘Secretary’ means the Secretary of the Treasury or the Secretary’s delegate; and

“(3) the term ‘State’ includes the District of Columbia, Puerto Rico, and any territory or possession of the United States.”.

(b) Appropriations.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, for fiscal year 2025—

(1) $15,000,000 to the Secretary of Labor for carrying out the activities of the Secretary of Labor under section 302 of the Federal Alcohol Administration Act, to remain available until September 30, 2029; and

(2) $10,000,000 to the National Labor Relations Board for carrying out the activities of the National Labor Relations Board under such section, to remain available until September 30, 2029.
SEC. 512. INCREASED FUNDING FOR THE ALCOHOL, TOBACCO, AND CANNABIS TAX AND TRADE BUREAU.

In addition to any other amounts otherwise available to the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $100,000,000 for each of the fiscal years 2025 through 2029 to carry out—

(1) sections 102 and 112 of this Act,

(2) chapter 56 of the Internal Revenue Code of 1986 (as added by section 401 of this Act),

(3) title III of the Federal Alcohol Administration Act (as added by section 511 of this Act), and


TITLE VI—WORKPLACE HEALTH AND SAFETY PROVISIONS

SEC. 601. DEFINITIONS.

In this title:

(1) CANNABIS INDUSTRY.—The term “cannabis industry” means any operation described in section 301 of the Federal Alcohol Administration Act, as added by section 511.

(2) EMPLOYEE; EMPLOYER.—The terms “employee” and “employer” have the meanings given

(3) EMPLOYER IN THE CANNABIS INDUSTRY.—
The term “employer in the cannabis industry” means an employer engaged in any operation requiring a permit under section 301 of the Federal Alcohol Administration Act, as added by section 511.

(4) PERSON.—The term “person” has the meaning given such term in section 3 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 652).

(5) SECRETARY.—The term “Secretary” means the Secretary of Labor.

(6) WORKER IN THE CANNABIS INDUSTRY.—
The term “worker in the cannabis industry” means any individual performing work for remuneration in the cannabis industry.

SEC. 602. FINDING REGARDING EMPLOYERS IN THE CANNABIS INDUSTRY.

Congress finds that employers in the cannabis industry are required to comply with occupational safety and health standards issued under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) and other regulations issued under such Act.
SEC. 603. CANNABIS AS A TARGETED TOPIC FOR SUSAN HARWOOD TRAINING GRANT PROGRAM.

The Secretary shall, in awarding Susan Harwood training grants under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) for the 2 fiscal years following the date of enactment of this Act, designate cannabis as a targeted topic for such grants.

SEC. 604. GUIDANCE ON RECOMMENDED PRACTICES.

(a) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Assistant Secretary of Labor for Occupational Safety and Health and the Director of the National Institute for Occupational Safety and Health of the Department of Health and Human Services shall jointly issue guidance on recommended practices to protect workers in the cannabis industry.

(b) CONTENTS.—The guidance required under this section shall—

(1) address the hazards workers in the cannabis industry face throughout the life cycle of cannabis, including from cultivation to sale and resale;

(2) provide methods to protect cannabis workers; and

(3) indicate specific occupational safety and health standards promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655), and any other requirements through
regulations issued under such Act, that apply to the
cannabis industry, including an indication of any
training requirement that employers in the cannabis
industry are subject to under any occupational safe-
ty and health standard promulgated under such sec-
tion 6 or under any other regulations issued under
such Act.

SEC. 605. WORKPLACE IMPACT OF CANNABIS LEGALIZATION.

(a) Study.—

(1) In general.—Not later than 1 year after
the date of enactment of this Act, the Director of
the National Institute for Occupational Safety and
Health shall conduct research on the impact of the
legalization of recreational cannabis by States on the
workplace, which may include—

(A) barriers for the Director and extra-
mural partners in conducting occupational safe-
ty and health research with respect to cannabis,
including to further identify potential hazards,
characterize exposures, and evaluate associa-
tions between exposures and adverse health ef-
teys;

(B) occupational health and safety training
for workers in the cannabis industry;
(C) the controls and actions taken by employers in the cannabis industry to protect workers and the effectiveness of such controls and actions;

(D) efficacy of cannabis for treating occupational related injuries or illnesses; and

(E) other topics as determined relevant by the Director.

(2) COLLABORATION.—In conducting the research under paragraph (1), the Director of the National Institute for Occupational Safety and Health may collaborate with the Occupational Safety and Health Administration, other relevant Federal departments and agencies, and relevant public and private stakeholders.

(3) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $2,000,000 for each of fiscal years 2025 through 2027 to carry out paragraph (1).

(b) BEST PRACTICES.—Not later than 2 years after the date of enactment of this Act, the Director of the National Institute for Occupational Safety and Health shall develop a set of recommendations outlining policies, best practices, and training recommendations for use by em-
ployers that are planning to transition or update workplace policies related to the use of recreational cannabis.

SEC. 606. GRANTS FOR COMMUNITY-BASED EDUCATION, OUTREACH, AND ENFORCEMENT WITH RESPECT TO THE RIGHTS OF WORKERS IN THE CANNABIS INDUSTRY.

(a) Definition of Eligible Entity.—In this section, the term “eligible entity” means—

(1) a public or private nonprofit organization with experience educating workers of their rights; or

(2) a partnership of organizations described in paragraph (1).

(b) Program Authorized.—The Secretary shall award grants to eligible entities, on a competitive basis, to enable the eligible entities to carry out—

(1) one or more activities to—

(A) educate workers in the cannabis industry of their rights under Federal, State, and local civil rights, labor, and employment laws, with a focus on providing such education to such workers who are low-wage workers;

(B) educate persons hiring workers in the cannabis industry regarding their obligations under such laws; or
connect and refer workers in the cannabis industry to additional services, as appropriate and available, to assist them in pursuing their rights under such laws; or

(2) any other activity the Secretary may reasonably prescribe for the purposes of supporting workers in the cannabis industry.

(c) Applications.—

(1) In general.—An eligible entity desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(2) Partnership applications.—In the case of an eligible entity that is a partnership, the eligible entity may designate, in the application, a single organization in the partnership as the lead entity for purposes of receiving and disbursing funds.

(3) Contents.—An application described in paragraph (1) shall include—

(A) information on the training and education that will be provided through the grant to workers in the cannabis industry and persons hiring workers in the cannabis industry;
(B) information on any geographic area targeted by the activities supported through the grant; and

(C) the method by which the eligible entity will measure the results of the activities supported through the grant and a method by which the eligible entity will assess the demographics of the workers served by such activities.

(d) Duration of Grants.—Each grant awarded under this section shall be for a period of not more than 3 years.

(e) Amount of Grants.—Each grant awarded under this section shall be in an amount not to exceed $300,000.

(f) Reporting Requirements.—Each eligible entity receiving a grant under this section shall, as determined by the Secretary, report to the Secretary the demographics of the workers served by the grant and the results of the activities supported by the grant as such demographics and results are measured by the methods described in the application submitted by the entity under subsection (c)(3)(C).

(g) Appropriations.—In addition to amounts otherwise available, there is appropriated, out of any funds in
the Treasury not otherwise appropriated, $15,000,000 for
each of fiscal years 2025 through 2029 to carry out this
section.

**TITLE VII—BANKING, HOUSING, AND COMMUNITY DEVELOPMENT**

**SEC. 701. PURPOSES; SENSE OF CONGRESS.**

(a) PURPOSES.—The purposes of this title are—

(1) to reinvest in low- or moderate-income areas
and communities most affected by the war on drugs;
and

(2) encourage financial institutions to provide
financial services to small or minority-owned busi-
nesses in the communities described in paragraph
(1).

(b) SENSE OF CONGRESS.—It is the sense of Con-
gress that each appropriate Federal financial supervisory
agency should use its authority pursuant to section 804
2901) when examining financial institutions to encourage
the institutions to help meet the credit needs of the local
communities in which they are chartered, consistent with
the safe and sound operation of such institutions, includ-
ing those communities that are most affected by the war
on drugs.
SEC. 702. REQUIREMENTS FOR FILING SUSPICIOUS ACTIVITY REPORTS.

Section 5318(g) of title 31, United States Code, is amended—

(1) by redesignating paragraph (11) as paragraph (12); and

(2) by inserting after paragraph (10) the following:

“(11) REQUIREMENTS FOR CANNABIS-RELATED LEGITIMATE BUSINESSES.—

“(A) DEFINITIONS.—In this paragraph:

“(i) CANNABIS.—The term ‘cannabis’ has the meaning given the term in section 3 of the Cannabis Administration and Opportunity Act.

“(ii) CANNABIS-RELATED LEGITIMATE BUSINESS; CANNABIS-RELATED SERVICE PROVIDER.—The terms ‘cannabis-related legitimate business’ and ‘cannabis-related service provider’ have the meanings given the terms in section 3 of the Small Business Act (15 U.S.C. 632).

“(iii) FINANCIAL SERVICE.—The term ‘financial service’—

“(I) means—
“(aa) a financial product or service, as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481), regardless of whether the customer receiving the product or service is a consumer or commercial entity; and

“(bb) a financial product or service, or any combination of products and services, permitted to be provided by—

“(AA) a national bank or a financial subsidiary pursuant to the authority provided under the paragraph designated as the ‘Seventh’ of section 5136 of the Revised Statutes (12 U.S.C. 24) or section 5136A of the Revised Statutes (12 U.S.C. 24a); or

“(BB) a Federal credit union, pursuant to the authority provided under the
Federal Credit Union Act

(12 U.S.C. 1751 et seq.);

and

“(II) includes—

“(aa) the business of insurance;

“(bb) whether performed directly or indirectly, the authorizing, processing, clearing, settling, billing, transferring for deposit, transmitting, delivering, instructing to be delivered, reconciling, collecting, or otherwise effectuating or facilitating of payments or funds, if such payments or funds are made or transferred by any means, including by the use of credit cards, debit cards, other payment cards, or other access devices, accounts, original or substitute checks, or electronic funds transfers;

“(cc) acting as a money transmitting business that directly or indirectly makes use of
a depository institution in connection with effectuating or facilitating a payment for a cannabis-related legitimate business or cannabis-related service provider in compliance with section 5330 of title 31, United States Code, and any applicable State law; and

“(dd) acting as an armored car service for processing and depositing with a depository institution or a Federal reserve bank with respect to any monetary instruments, as defined in section 1956(e) of title 18, United States Code.

“(B) REPORT.—With respect to a financial institution or any director, officer, employee, or agent of a financial institution that reports a suspicious transaction pursuant to this subsection, if the reason for the report relates to a cannabis-related legitimate business or cannabis-related service provider, the report shall comply with appropriate guidance issued by the
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Financial Crimes Enforcement Network. Not later than the end of the 180-day period beginning on the date of enactment of this paragraph, the Secretary shall update the February 14, 2014, guidance titled ‘BSA Expectations Regarding Marijuana-Related Businesses’ (FIN–2014–G001) or issue new regulations to ensure that the guidance—

“(i) is consistent with the purpose and intent of the Cannabis Administration and Opportunity Act;

“(ii) addresses the deposit and movement of cash held by cannabis-legitimate business or cannabis-related service provider as of the date of enactment of this paragraph; and

“(iii) does not significantly inhibit the provision of financial services to a cannabis-related legitimate business or cannabis-related service provider in the United States.

“(C) PURPOSE.—Any guidance or regulation required under this section shall ensure that a financial institution and any director, employee, officer, or agent of a financial institu-
tion continues to report suspicious activities related to cannabis-related legitimate businesses and preserve the ability of the Financial Crimes Enforcement Network and law enforcement to prevent and combat illicit activity. The Financial Crimes Enforcement Network shall promulgate regulations or issue guidance as necessary on financial institutions that provide financial services to cannabis-related legitimate businesses, cannabis-related service providers, or employees, owners, or operators, regarding obligations related to anti-money laundering and under this subchapter, including addressing the filing of suspicious activity reports consistent with this section, customer due diligence requirements, indirect relationships with cannabis-related legitimate businesses, and verification and documentation requirements for financial institutions intending to handle funds from cannabis-related legitimate businesses to ensure such funds are clearly linked with law, other lawful activity, and regulations. The Secretary shall ensure that such regulations are consistent with the purpose and intent of the Cannabis Administration and Opportunity Act
while ensuring the Financial Crimes Enforcement Network has sufficient resources to prevent and combat illicit activity.”.

SEC. 703. GUIDANCE AND EXAMINATION PROCEDURES.

Not later than 180 days after the date of enactment of this Act and consistent with the updated Financial Crimes Enforcement Network guidance described in paragraph (11)(B) of section 5318(g) of title 31, United States Code, as added by section 702 of this title, the Federal Financial Institutions Examination Council, in consultation with the Financial Crimes Enforcement Network, shall develop uniform guidance and examination procedures for depository institutions that provide financial services to cannabis-related legitimate businesses and cannabis-related service providers.

SEC. 704. INVESTMENT IN COMMUNITIES.

(a) CDFI SUPPORT.—In addition to funds otherwise available, there is appropriated out of any money in the Treasury not otherwise appropriated, $200,000,000 for each of fiscal years 2025 through 2029 to the Community Development Financial Institutions Fund established under section 104 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703) to provide grants to expand lending and investment
in low- or moderate-income areas, including those most affected by the war on drugs.

(b) MDI SUPPORT.—In addition to funds otherwise available, there is appropriated out of any money in the Treasury not otherwise appropriated, $200,000,000 for each of fiscal years 2025 through 2029 to the Emergency Capital Investment Fund established under section 104A(b) of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4703a(b)) to support the efforts of low- and moderate-income community financial institutions to, among other things, provide loans, grants, and forbearance for small businesses, minority-owned businesses, and consumers, especially in low-income and underserved communities, including those most affected by the war on drugs.

(e) GRANTS TO ADDRESS HOUSING AND COMMUNITY DEVELOPMENT NEEDS OF INDIVIDUALS AND COMMUNITIES Adversely Impacted by the War on Drugs.—

(1) DEFINITIONS.—In this subsection:

(A) ELIGIBLE ACTIVITY.—The term “eligible activity”—

(i) means any eligible activity—

(I) described in title I of the Housing and Community Development
Act of 1974 (42 U.S.C. 5301 et seq.),
the HOME Investment Partnerships
Act (42 U.S.C. 12721 et seq.), or sec-
tion 415 of the McKinney-Vento
Homeless Assistance Act (42 U.S.C.
11374); and

(II) that addresses the needs of
individuals and census tracts in the
provisions described in subclause (I);

and

(ii) does not include administrative ex-
penses that exceed 15 percent of the
amount of a grant made under this sub-
section.

(B) ELIGIBLE GRANTEE.—The term “eligi-
ble grantee” includes any State, unit of general
local government, or Indian tribe eligible to re-
ceive a grant under title I of the Housing and
Community Development Act of 1974 (42
U.S.C. 5301 et seq.).

(C) INDIVIDUAL ADVERSELY IMPACTED BY
THE WAR ON DRUGS.—The term “individual
adversely impacted by the War on Drugs” has
the meaning given the term in section 3062 as
defined in section 3062 of the Omnibus Crime
Control and Safe Streets Act of 1968, as added by section 301(a)(2) of this Act.

(D) STATE; UNIT OF GENERAL LOCAL GOVERNMENT; INDIAN TRIBE.—The terms “State”, “unit of general local government”, and “Indian tribe” have the meanings given the terms in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302).

(2) GRANTS.—In addition to funds otherwise available, there is appropriated out of any money in the Treasury not otherwise appropriated, $300,000,000 for each of fiscal years 2025 through 2029 to the Secretary of Housing and Urban Development for grants to eligible grantees for eligible activities to address the housing and community development needs of—

(A) individuals adversely impacted by the War on Drugs; and

(B) housing and community development needs of census tracts where a disproportionate share of residents are individuals described in subparagraph (A), as determined by the Secretary.
(3) AWARD CRITERIA.—In awarding grants under this subsection, the Secretary of Housing and Urban Development shall establish criteria for awards as may be necessary to demonstrate that the eligible grantee has the need, capacity, and commitment to carry out a grant under this subsection to address the needs described in paragraph (2).

(4) ADMINISTRATION AND TECHNICAL ASSISTANCE.—Of the amount appropriated under this section, not greater than 10 percent shall be available to the Secretary of Housing and Urban Development for administration, evaluation, and technical assistance activities to carry out the grant program under this subsection.

SEC. 705. FAIR ACCESS TO FINANCIAL SERVICES.

(a) IN GENERAL.—All persons shall be entitled to the full and equal enjoyment of the goods, services, facilities, privileges, and accommodations of any financial institution, as defined in section 803 of the Payment, Clearing, and Settlement Supervision Act of 2010 (12 U.S.C. 5462), without discrimination on the ground of race, color, religion, national origin, and sex (including sexual orientation and gender identity).

(b) PRIVATE RIGHT OF ACTION.—
(1) IN GENERAL.—Whenever any person has engaged or there are reasonable grounds to believe that any person is about to engage in any act or practice prohibited by subsection (a), a civil action for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order, may be instituted by the person aggrieved.

(2) COSTS.—In any action commenced pursuant to this section, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney’s fee as part of the costs, and the United States shall be liable for costs the same as a private person.

(3) JURISDICTION.—The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this section and shall exercise the same without regard to whether the aggrieved party shall have exhausted any administrative or other remedies that may be provided by law.

(4) EXCLUSIVE MEANS.—The remedies provided in this subsection shall be the exclusive means of enforcing the rights based on this section, but nothing in this section shall preclude any individual or any State or local agency from asserting any
right based on any other Federal or State law not
inconsistent with this section, including any statute
or ordinance requiring nondiscrimination in goods,
services, facilities, privileges, and accommodations of
any financial institution, or from pursuing any rem-
edy, civil or criminal, which may be available for the
vindication or enforcement of such right.

SEC. 706. CONSUMER PROTECTIONS FOR INDIVIDUALS
WITH NONVIOLENT CRIMINAL RECORD.

No institution may deny financial services to an ap-
plicant solely based on a prior conviction for a nonviolent
cannabis offense.

TITLE VIII—MISCELLANEOUS

SEC. 801. COMPTROLLER GENERAL REVIEW OF LAWS AND
REGULATIONS.

(a) IN GENERAL.—The Comptroller General shall
conduct a review of Federal laws, regulations, and policies
to—

(1) determine if any changes in them are desir-
able in the light of the purposes and provisions of
this Act;

(2) identify any use of the terms “marijuana”
or “marihuana” in the rulings, regulations, or inter-
pretations of various administrative bureaus and
agencies of the United States and recommend that
such terms be replaced with the term “cannabis”; and

(3) identify any use of the terms “marijuana” or “marihuana” in the statutes of the United States and propose any amendments necessary to such statutes to replace such terms with the term “cannabis”.

(b) REPORT.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall make to Congress and the relevant agencies such recommendations relating to the results of the review described in subsection (a) as the Comptroller General deems appropriate.

SEC. 802. CANNABIS PRODUCTS ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the Cannabis Products Advisory Committee (in this section referred to as the “Committee”).

(2) PURPOSE.—The Committee shall advise any relevant Federal regulatory body, agency, or bureau regarding the administration of this Act (including any amendments made by this Act).

(b) MEMBERSHIP.—

(1) APPOINTMENTS.—
(A) IN GENERAL.—The Committee shall be composed of 22 members who are appointed by the Secretary of Health and Human Services (in this section referred to as the “Secretary”).

(B) DATE.—The Secretary shall make the appointments described in subparagraph (A) not later than 60 days after the date of enactment of this section.

(2) TERM OF SERVICE.—

(A) IN GENERAL.—Each member of the Committee shall serve a term of 5 years from the date of appointment by the Secretary. No member may be removed prior to the expiration of his or her term without a showing of good cause.

(B) REAPPOINTMENT.—A member may be reapointed but may not serve more than 2 terms.

(C) VACANCIES.—

(i) IN GENERAL.—Any vacancy in the Committee shall be filled by the Secretary not later than 90 days after the vacancy.

(ii) TERM.—A member appointed to fill a vacancy in the Committee shall serve as a member of the Committee for the re-
mainder of the original term of appointment.

(3) Membership composition.—The Committee shall be composed of the following members:

(A) Industry stakeholders.—Three representatives from the cannabis industry, not less than 1 of which is an individual representing a historically underrepresented community or an individual adversely impacted by the War on Drugs (as defined in section 301 of this Act), including—

(i) 2 individuals who represent the viewpoint of cannabis cultivators and processors; and

(ii) 1 individual who represents the viewpoint of cannabis wholesalers and retailers.

(B) Equity and social justice advocate.—One individual with experience in equity and social justice advocacy with respect to the cannabis industry and criminal justice.

(C) State cannabis regulator.—One individual who represents the viewpoint of State cannabis regulators.
(D) CONSUMERS AND PATIENTS.—One individual who represents the viewpoint of cannabis consumers and patients.

(E) PUBLIC HEALTH, MEDICINE, OR SCIENCE.—Four individuals who are technically qualified by training and experience in public health, medicine, or other sciences, including—

(i) 2 individuals with domestic or international cannabinoid research experience, 1 of whom shall also have experience treating patients using medical cannabis; and

(ii) 2 individuals with experience in substance use and misuse prevention, intervention, and treatment, 1 of whom shall have such experience pertaining to individuals under 21 years of age.

(F) PUBLIC SAFETY.—One individual with experience in public safety with respect to cannabis and the cannabis industry.

(G) OFFICE OF NATIONAL DRUG CONTROL POLICY.—One representative from the Office of National Drug Control Policy.
(H) Department of Veterans Affairs.—One representative from the Department of Veterans Affairs.

(I) Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.—One representative from the Alcohol, Tobacco, and Cannabis Tax and Trade Bureau.

(J) National Governors Association.—One representative from the National Governors Association.

(K) Department of Transportation.—One representative from the Department of Transportation.

(L) Department of Health and Human Services.—Four representatives from the Department of Health and Human Services, including from the Food and Drug Administration, the Centers for Disease Control and Prevention, the National Institutes of Health, and the Substance Abuse and Mental Health Services Administration.

(M) Labor Unions.—One labor union representative.

(N) Indian Tribe.—One representative from an Indian Tribe.
(4) **Administrative Support.**—The Secretary shall furnish the Committee clerical and other assistance to enable the Committee to perform its duties.

(5) **Compensation.**—

(A) **Compensation of Members.**—A member of the Committee who is not an officer or employee of the Federal Government shall be compensated at a rate fixed by the Secretary, which may not exceed the daily equivalent of the rate in effect under the Senior Executive Schedule under section 5382 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Committee.

(B) **Travel Expenses.**—While away from their home or regular place of business in the performance of services for the Committee, a member of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(6) **Chair.**—The Committee shall select a Chair from among the members of the Committee.
(7) SUBCOMMITTEES.—The Committee may establish subcommittees to facilitate the ability of the Committee to discharge its duties (as described in subsection (c)).

(c) DUTIES.—The Committee shall—

(1) consider all matters submitted to it by the Secretary;

(2) on its own initiative, recommend to the Secretary guidelines, rules, and regulations and any changes to guidelines, rules, and regulations that the Committee considers important or necessary for the Secretary’s review and consideration, with a focus on ensuring equity and social justice in such guidelines, rules, and regulations;

(3) consider the safety of introducing new cannabis products into the market;

(4) review and recommend public health surveillance activities to monitor population-level health effects with respect to cannabis;

(5) identify and prioritize gaps in the science important to public health and medicine with respect to cannabis;

(6) make recommendations to the Secretary of the Treasury regarding approval of waivers of disqualifying offenses with respect to permit applica-
tions under section 302(a)(2)(B) of the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) (as added by section 511); and

(7) not later than 1 year after the date of enactment of this section, and annually thereafter, publish a publicly available report describing the activities of the Committee, including any recommendations the Committee made to the Secretary during the reporting period and whether such recommendations were implemented.

(d) MEETINGS.—

(1) FREQUENCY.—

(A) IN GENERAL.—The Committee shall meet on a quarterly basis but may meet more frequently if necessary.

(B) CANCELLATION.—

(i) IN GENERAL.—Subject to clause (ii), the Chair may cancel a Committee meeting not less than 3 business days prior to such meeting if, in consultation with the members of the Committee, the Chair determines—

(I) the meeting is not needed; or

(II) there will not be a quorum present at such meeting.
(ii) EXCEPTIONS.—Any meeting may be canceled by the Chair at any time due to inclement weather or an emergency situation.

(2) VOTING.—

(A) QUORUM.—

(i) IN GENERAL.—A majority of the members of the Committee shall constitute a quorum.

(ii) REQUIREMENT.—A quorum of members shall be required for any decision of the Committee.

(iii) EFFECT OF NO QUORUM.—In the absence of such a quorum, any business transacted by the Committee shall be null and void, except any measure taken to obtain a quorum or to reschedule another meeting.

(B) MAJORITY VOTE.—Any decision by or recommendation to the Secretary of the Treasury or the Secretary of Health and Human Services from the Committee shall be adopted by a majority vote of the Committee.

(C) CONSENSUS; VOTE RECORDING.—
(i) IN GENERAL.—Decision-making by
the Committee shall be by consensus when
possible.

(ii) NO CONSENSUS.—

(I) VOTE.—If consensus cannot
be reached by the Committee, a vote
of the members of the Committee will
be taken.

(II) QUORUM REQUIRED.—To
take a vote under subclause (I), a
quorum of the members shall be
present.

(III) RECORDING.—The results
of any vote taken under subclause (I)
shall be recorded, as well as any state-
ment of concurrence or disagreement,
if applicable.

(3) TELECONFERENCE.—A member may fully
participate in a meeting via teleconference.

(4) CONFIDENTIALITY.—

(A) IN GENERAL.—Any discussion of the
Committee relative to the work of the Com-
mittee is regarded as confidential information
and may not be discussed in any form outside
the context of the Committee meetings.
(B) Waiver Requests.—Any materials submitted to the Committee under section 302(a)(2)(B) of the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) (as added by section 511), and any transcript made with respect to such submission regarding any particular person, shall be redacted.

(5) Non-application of FACA.—Section 10 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to any part of a meeting held by the Committee with respect to a waiver request submitted to the Committee under section 302(a)(2)(B) of the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) (as added by section 511).

(e) Statements of Policy.—A member of the Committee may not make a statement of policy that purports to be that of the Committee unless the Committee has adopted such a policy, except that any such member shall not be prohibited from stating his or her personal opinion, provided the opinion is clearly identified as such.

(f) Termination.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Committee.
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1 SEC. 803. DEFINITION OF HEMP UNDER USDA DOMESTIC
2 HEMP PRODUCTION PROGRAM.
3 Section 297A(1) of the Agricultural Marketing Act
4 of 1946 (7 U.S.C. 1639o(1)) is amended—
5 (1) by striking “The term” and inserting the
6 following:
7 “(A) IN GENERAL.—The term”; and
8 (2) in subparagraph (A) (as so designated), by
9 striking “with a delta-9 tetrahydrocannabinol con-
10 centration of not more than 0.3 percent on a dry
11 weight basis.” and inserting the following: “and any
12 products made or derived from such plant or parts,
13 with a total tetrahydrocannabinol equivalent con-
14 centration of not more than the allowable
15 tetrahydrocannabinol equivalent amount described in
16 subparagraph (C).
17 “(B) TOTAL TETRAHYDROCANNABINOL
18 EQUIVALENT.—
19 “(i) IN GENERAL.—Subject to clause
20 (ii), in subparagraph (A), the term ‘total
21 tetrahydrocannabinol equivalent’ means—
22 “(I) any tetrahydrocannabinol,
23 including—
24 “(aa) delta-8
25 tetrahydrocannabinol;
“(bb) delta-9 tetrahydrocannabinol;

“(cc) delta-10 tetrahydrocannabinol; and

“(dd) tetrahydrocannabinolic acid; and

“(II) any other substance described in paragraph (tt)(1)(A) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321) that has similar effects on the body as a substance described in item (aa), (bb), or (cc) of subclause (I), including through interaction with other substances in the applicable product.

“(ii) EXCLUSION OF ISOMERS.—The Secretary of Health and Human Services, in consultation with the Secretary of the Treasury and the Attorney General, may exclude 1 or more isomers of tetrahydrocannabinol from the definition under clause (i).

“(C) ALLOWABLE TETRAHYDROCANNABINOL EQUIVALENT AMOUNT.—
“(i) In general.—Subject to clause (ii), the allowable tetrahydrocannabinol equivalent amount referred to in subparagraph (A) is—

“(I) except as provided in subclause (II), 1 milligram of total tetrahydrocannabinol per 100 grams on a dry weight basis (or a proportionate amount of any fraction thereof); and

“(II) in the case of any specified plant product described in clause (iii), 0.7 percent total tetrahydrocannabinol equivalent on a dry weight basis.

“(ii) Modification; determination with respect to tetrahydrocannabinolic acid.—For purposes of clause (i), under regulations promulgated by the Secretary of Health and Human Services, in consultation with the Secretary of the Treasury and the Attorney General—

“(I) the Secretary may modify the allowable tetrahydrocannabinol equivalent amounts described in
clause (i) if the Secretary determines
that the effects on the body of such
substance or interaction of substances
differ significantly from the effects on
the body of delta-9
tetrahydrocannabinol; and

“(II) rules similar to the rules re-
lating to the determination of ‘Total
THC’ in section 990.1 of title 7, Code
of Federal Regulations (as in effect on
the date of enactment of the Cannabis
Administration and Opportunity Act),
shall apply in calculating the ratio of
tetrahydrocannabinolic acid described
in subparagraph (B)(i)(I)(dd) taken
into account for purposes of deter-
mining the allowable
tetrahydrocannabinol equivalent
amount.

“(iii) SPECIFIED PLANT PRODUCT.—A
specified plant product referred to in
clause (i)(II) is any item described in para-
graph (tt)(1)(A) of section 201 of the Fed-
eral Food, Drug, and Cosmetic Act (21
U.S.C. 321) that does not contain any
item described in that paragraph that has
been processed, extracted, or concentrated
(other than harvesting, drying, curing, or
trimming).”.

SEC. 804. GRANTS FOR HIRING AND TRAINING RELATING
TO CANNABIS ENFORCEMENT.

(a) Amendment.—Section 1701 of title I of the Om-
nibus Crime Control and Safe Streets Act of 1968 (34
U.S.C. 10381) is amended—

(1) by redesignating subsection (m) as sub-
section (p);

(2) by redesigning subsection (n) as sub-
section (o); and

(3) by inserting after subsection (l) the fol-
lowing:

“(m) COPS GRANTS FOR SMALL DEPARTMENTS TO
COMBAT ILLICIT CANNABIS PRODUCTION AND DISTRIBUTION.—

“(1) ELIGIBLE ENTITY DEFINED.—In this sub-
section, the term ‘eligible entity’ means a law en-
forcement agency that—

“(A) has not more than 50 sworn law en-
forcement officers;

“(B) serves not more than 50,000 resi-
dents; and
“(C) demonstrates a need for additional personnel to combat illicit cannabis production and distribution.

“(2) GRANTS.—The Attorney General shall award competitive grants to eligible entities for hiring—

“(A) sworn law enforcement officers;
“(B) non-sworn law enforcement officers;
“(C) investigators; and
“(D) community outreach specialists.

“(n) CANNABIS LAW EDUCATION PROGRAMS AND TECHNICAL ASSISTANCE.—

“(1) PROGRAM DEVELOPMENT.—The Attorney General shall develop Federal education programs and technical assistance for State and local law enforcement agencies to develop the knowledge and expertise necessary to ensure—

“(A) the enforcement of State and Federal cannabis laws; and
“(B) that the enforcement described in subparagraph (A) is consistent with the Constitution of the United States.

“(2) STATE-SPECIFIC TRAINING AND GUIDANCE.—The Director of the Bureau of Justice Assistance shall develop State-specific training and
guidance for law enforcement agencies within a jurisdiction for use in the Federal education programs described in paragraph (1).

“(3) GRANTS.—The Attorney General shall award grants to law enforcement agencies for the costs associated with training under this subsection.”.

(b) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, $15,000,000 for each of fiscal years 2025 through 2029 to carry out this section.

SEC. 805. SEVERABILITY.

If any provision of this Act or an amendment made by this Act, or any application of such provision to any person or circumstance, is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of this Act and the amendments made by this Act to any other person or circumstance shall not be affected.